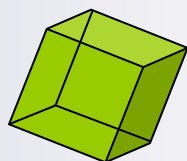# Threading the Needle

## Sharpening Organizational Strategy

**Stratexos, LLC**

*Strategy Execution Solutions*

## The Situation

A senior executive we know stood motionless at the large window in his almost-corner office. UV blinds rolled up. Thirty floors above the pavement. He looked through the canyon of concrete, glass, and steel—some buildings as tall as his own, some taller—filled with the powerful and the ambitious. People like himself.

The sun reflecting off the glass façade of a building across the street made him wince. He didn't mind. Hands in his pockets, he was smiling—still warm from yesterday's news. He had been told, confidentially of course, that he was the Board's unanimous choice to succeed the retiring CEO. Famous for his clarity and crispness, he was taking a break from working on his Transition "To Do" List. Near the top of which, under the item "Fire Tony," was "Fix Strategy."

He believed the organization was headed in the right direction and that the strategy was basically on-target, though parts of it needed "refreshing." He wasn't sure everyone who needed to be was fully onboard with it. That was a problem. He vowed things would be different under his leadership.

## A Perspective on Solutions

It all begins with strategy. In the most successful organizations, the structure is designed to drive it. Work is determined by it. The culture is developed to support it. Employees are hired and trained for their role in it. Senior management is aligned to lead it. Performance is measured against the results it's designed to achieve. Strategy.

Traditionally, developing and adjusting organizational strategy is seen as the exclusive province of the chief executive suite. The CEO, COO, CFO, CMO, and CTO, if there is one, meet to pore over binder-thick, data-rich reports compiled by a consulting firm. In many organizations, the series of discussions results in a long memo to senior management just before the binders are closed, shelved, and business goes on as usual with organization leaders still complaining that there is no unified direction.

There is another way.

For organization leaders to understand and fully embrace the strategy, they need to be involved in its creation. The approach outlined in Figure 1, and described below, is one way of making this possible. It has been effectively used with organizations across a number of industries looking to sharpen their existing strategy.
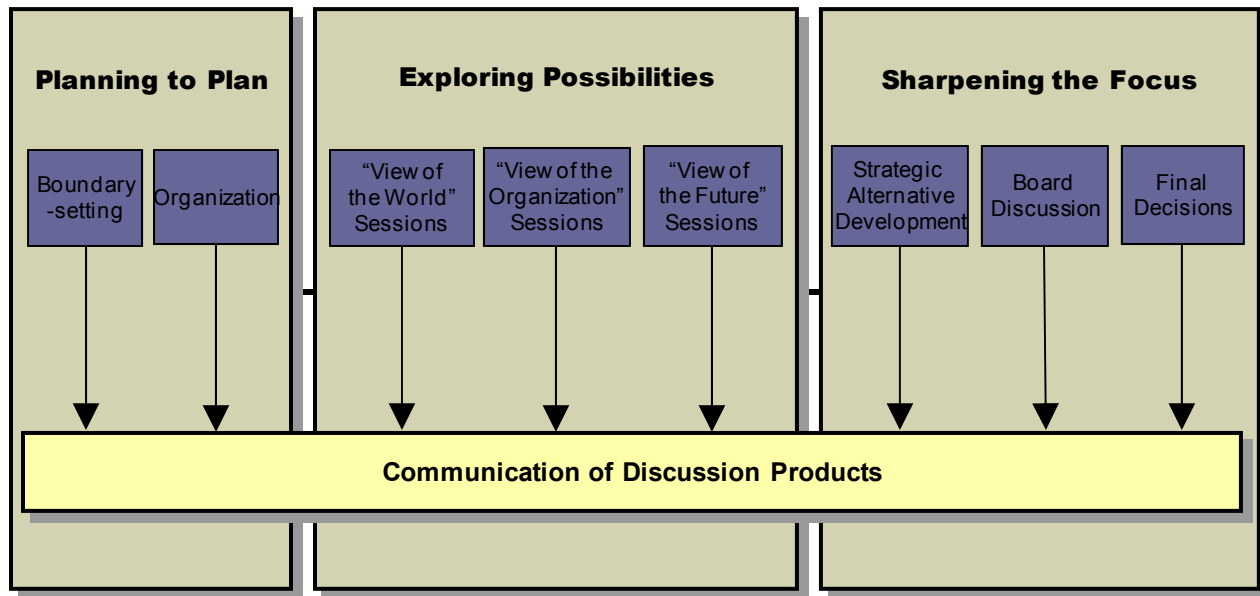
### An Approach to Sharpening Strategy

Phase 1: Planning to Plan

The purpose of this phase is to develop a plan for gaining the understanding and input necessary to sharpen the strategy while, at the same time, building the support that ensures successful strategy execution later on.

- *Boundary-setting.* At the outset, the CEO frames the process by selecting a planning team, identifying its leader, and clearly addressing such issues as: non-negotiable elements of the current vision and strategy, elements open for discussion and modification, who will make final decisions regarding strategy, strategic horizon, success criteria, and process completion date.

| Planning to Plan | Exploring Possibilities | Sharpening the Focus |
|---|---|---|
| Boundary-setting / Organization | "View of the World" Sessions / "View of the Organization" Sessions / "View of the Future" Sessions | Strategic Alternative Development / Board Discussion / Final Decisions |

**Communication of Discussion Products**

**Figure 1:  Strategy Sharpening**

- *Organization.*  After being introduced to the process and clarifying their charter, the planning team addresses such issues as:

     □ What are the key questions and dilemmas to address?

     □ How do we organize discussion sessions that will expand or clarify our thinking on the key issues?

     □ What organizational leaders and "select others" should attend the sessions?

     □ What should be the product of each?

     □ What non-attending leaders and "select others" should be kept informed about the sessions? How?

Phase 2:  Exploring Possibilities

The purpose of this phase is to expand organizational leaders thinking about the industry, the times in which they live, and what it is possible for the organization to achieve.

- *"View of the World" Sessions.*  In connection with the key issues under consideration, these sessions are designed to expand or clarify thinking on the economic and political environment, markets, competition, customers and other such topics. Organizations have brought senior leaders to headquarters for sessions featuring experts on industry trends and best practices.  Others have devoted time at senior executive offsites for outside speakers and discussion.  Still others have conducted the sessions via videoconference, web seminar, or a combination of the above.  Some have invited the participation of Board members.

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Regardless of format, the product of each session is a planning-team-generated summary of key points from the presentations, discussions, and participant responses to the questions:

▫ What are your key lessons learned, insights, takeaways from this session?

▫ What new questions have surfaced for you?

(Some organizations consider scheduling an "open" session toward the end of the discussion series to address new themes emerging from accumulated responses to these questions.)

■ *"View of the Organization" Sessions.* These data-based sessions are designed to discuss a realistic, non-sugar-coated assessment of the organization's strategic strengths and weaknesses. Interview and/or survey data may be collected in advance. Sometimes, the data are collected "live"—in the room—using a combination of computer survey technology and group discussion. Often, special sessions are put together for key customers to share their experience and perceptions of the organization.

■ *"View of the Future" Sessions.* These are integration sessions. They are designed around those areas previously identified as needing sharper focus. For example, one organization focused on "key customers," "products and services," and "guiding values." Another focused on "what we want to

be known for in the industry," "mix of practices," and "geographical expansion."

The questions framing the sessions are variations of: "Given the lessons learned from the previous 'View of the World' and 'View of the Organization' sessions, what is our vision for ____ in the year ____?"

Phase 3: Sharpening the Focus

The purpose of this phase is to shape the work of the previous phase into discrete alternative-future choices and, finally, to decide which to pursue.

■ *Strategic Alternative Development.* The planning team uses the information from the previous sessions to develop a number of strategic alternatives for discussion with the CEO and executive team. Each alternative covers such areas as: strategic scope and goals, markets served, products and services offered, basis of competition, initiatives required for success, and evaluation against the success criteria created at the outset of the process. The alternatives are clarified, reduced, expanded, or eliminated based on CEO and executive team discussion.

■ *Board Discussion.* Strategic alternatives surviving the vetting process above are discussed with the Board who, in turn, provides further direction and/or makes decisions— depending on the Board's chartered role with a particular organization. By the time these discussions begin, the Board should be fully prepared for them. One planning team's communication strategy called for all

Board members to receive products resulting from the Phase 2 sessions, in addition to having been invited to participate in them. Plus, each was briefed by an executive team member prior to the start of discussions.

- *Final Decisions*. Consistent with prior role agreements, the CEO, executive team, and/or Board make final decisions on the strategic questions before them.

### Final Thoughts

In the most effective organizations, strategic decisions trigger strategy execution planning. This planning includes identification of key actions, sequence, responsible parties, target dates, assessment, and progress check points. Where tight alignment is critical to success, an early assessment of the continued goodness-of-fit between the sharpened strategy and core organizational elements (i.e., work, structure, culture, leadership style, hiring and training practices, etc.) is called for. As one CEO puts it, "Our strategy is the flag to which all our important decisions salute." For this to work effectively, leaders need to believe in, and stand up for, the strategy.

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## About Stratexos

Stratexos, LLC helps senior executives create, execute, and evaluate solutions to the leadership and organizational issues keeping them up at night. Areas of expertise include:

- Chief Executive Transition

- Executive Team Performance

- Sharpening Organizational Strategy

- Designing Organizational Structures

- Aligning Organizational Culture

- Orchestrating Effective Change

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