



## STRATEGY WORKSHOP FACILITATORS LTD

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*Professional Facilitators of Strategic Thinking*

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August 2010

Ref: STDownload.pdf

The "Strategic Thinking Process" facilitated by Strategy Workshops

Our proprietary process of strategic thinking is for a management team that wants a top down approach that enables them to personally define the destiny for their business and the management controls needed to quickly implement strategy.

Strategic Thinking Phase 1:

Determining Vision for Top Management (Corporate & Business Unit Strategy)

The first phase is for the top management team to agree a future strategic vision as to what sort of business they will become over time. This must have their commitment and be distinctive, clear and unambiguous. It should also be capable of being quickly and easily communicated.

We do this by creating a strategic profile of the business that can be easily explained and subsequently understood by the rest of the organisation and other stakeholders. Phase 1 is the job of the management team at corporate or business unit level consisting of those who will be primarily responsible for driving the strategy.

They set the business goals and develop a clear and differentiated customer proposition. By doing this together they can discuss all the significant changes and issues facing the business and agree the Critical Issues that must be managed. In this way the strategy becomes clearly understood and has the commitment of the team to forge ahead with its implementation. Achieving top management buy in is the first stage of communicating strategy.

The second stage of communicating strategy, also achieved during the Phase 1 work session, are hard copy outputs that consist of a Business Concept Statement, a format of the Strategic Business Profile, the Critical Issues and the Strategic Objectives.



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## Successfully Communicating Strategy is Critical

The clear communication of strategy is critical in the implementation phase to avoid confusion and misunderstanding amongst employees. For strategy to be successfully communicated to each employee it must be explicit in explaining the linkage between the individual's goals and the organisation's goals. It must motivate them to achieve these goals. The goals should be reflected in an individual's personal pay plan, quotas and incentives. The process of communicating strategy is to personalise the importance of it for each employee and ensure that the actions required are emotionally and financially compelling.

### Strategic Thinking Phase 2:

#### Setting Strategic Objectives

Once the Business Concept, Strategic Profile and Critical Issues have been identified, then part of the communication process is to cascade strategy down through the organisation by developing clear and challenging Strategic Objectives.

As was previously mentioned, objectives to implement strategy need to be set at all levels throughout the organisation and should ultimately be translated into individual objectives for every member of staff.

This segment breaks down the Strategic Profile into specific achievable strategic positions that can be easily interpreted by others. These objectives will materialise in the identification of clear product and market positions that the business will want to protect and retain in the future or to capture and exploit in the future.

This is an important segment in linking strategy to the business plan as it identifies the precise areas in which the operational objectives should be focused. If both the strategic and the operational objectives are aligned, then the task of developing the business plan and the resources needed to implement that plan are clearer. There is less chance that resources will be allocated to initiatives that are derived from opportunities, however tantalising, that may not fit the future direction of the business.

### Strategic Thinking Phase 3:

#### Planning the Implementation and aligning the Business Operational Strategies

The third phase is to separate the strategic vision into operational activity. Each strategic function or business area takes the corporate profile together with the strategic objectives and with its own management team defines Strategic Initiatives specifically for its own area of business responsibility. In this way corporate strategy gets broken down into specifics by individual business areas. This can then be easily understood by their staff as the initiatives get cascaded down. As nothing will succeed without a good plan these initiatives are separated into detailed objectives and issues that must be quickly and successfully completed against strict deadlines. Translating the vision in this way ensures that the individual business functions pursue plans that are focused on achieving the corporate strategic vision.

## The Process Steps

The steps described below should be seen in conjunction with the process schematic.

<p>First Meeting. (short day) Pre Work Session Preparation and project briefing As a starting point for future strategy we determine Current Strategy – “Where we are Today”</p>	<p>Prior to the work session, project participants are briefed to ensure understanding and commitment to the process. They are also provided with a Strategic Input Survey to individually complete and return to Strategy Workshops (SW) before the work session. SW then consolidates the Inputs into a single data document for use throughout the project. Additionally at the start of the project, participants debate current strategy to ensure that all are at the same level of understanding.</p>
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Phase 1: In this Work Session there are 4 steps which are briefly described as follows:

The following 4 steps will normally require two days, (not necessarily consecutive)

<p>Second Meeting three to four weeks after the briefing.  Step 1: Examine the Business Arena.</p>	<p>Systematically examine the most significant variables in the business environment. A rational approach to defining strategy requires quality input data. This is done using input from the consolidated version of the pre-work session Strategic Input Survey completed by each participant and edited by SW. This input is used throughout the process to study the most significant issues internal and external to the business, including competition.</p>
<p>Step 2: Strategic Options:  Determine the Strategic Heartbeat of the organisation.</p>	<p>The starting point and general assumptions in defining future strategic options are usually based on the following criteria:</p> <ul style="list-style-type: none"> <li>• That there are sustainable results in terms of profit and growth that need to be achieved over the next strategic time frame</li> <li>• That these results will be best accomplished by a strategy that is customer focused</li> <li>• That the products/services offered should be innovative and competitive; reflecting specific customer needs</li> <li>• That there are particular skills and capabilities which should be continuously developed to sustain success and competitive edge</li> </ul> <p>To achieve this, during Strategic Thinking we aim to develop a better understanding of the different driving forces causing strategic influence in an organisation. We use 9 clearly identifiable business drivers that we can see at work in any organisation. The first task is to understand their relative importance to each other. The second task is to decide which one of the 9 drivers is fundamental to all major decision making in your unique organisation. This will become the Strategic Heartbeat of the organisation. For a detailed description of this concept see our Handbook entitled “Strategic Thinking for top management”. The Strategic Heartbeat is important to strategy as it will ensure consistency when allocating resources and when choosing between opportunities in all future decision making. It is also used in the construction of a strategic filter that can be deployed to assist these choices.</p>

<p>Step 3: Developing a Strategy Profile for the future.</p>	<p>Using the Strategic Heartbeat we then construct a statement of strategy which clearly explains the concept and purpose of the business. This statement is concise, unambiguous and easy to understand. It can be used to communicate strategy to all stakeholders both internally and externally.</p> <p>A future strategy is built on the skills and capabilities that collectively we call the Corporate Excellence. We clearly identify this competence so that resources can be allocated for the purpose of honing these skills into a sustainable competitive edge.</p> <p>In addition, strategic measurements are set to guide the profit and growth requirements. Management's scope for its choices of products and markets is also agreed and examples added to the Strategy Profile to facilitate accurate communication.</p> <p>A strategic decision-making filter is produced to aid the allocation of resources and the choices made between opportunities.</p>
<p>Step 4: Define the Critical Issues.</p>	<p>The future strategy must be validated before finalisation. This is to make sure that it optimises the organisation's strengths, maximises its opportunities and demonstrates a distinctive competitive edge. As part of this procedure, all the issues and actions that are seen as critical to the success of the strategy are clearly identified. Each critical issue is prioritised and all the high priority issues are taken and expanded into an action plan by identifying the key plan steps and resources needed. An owner for each of the individual high priority critical issues is also appointed.</p>
<p>Final recorded outputs.</p>	<p>The agreed outputs from the two day work session are returned to the client by email within 24 hours of the conclusion of the work session.</p>

Setting Strategic Objectives: This is usually a one day work session approximately four weeks after the conclusion of Phase 1.

Phase 2: A Work Session consisting of 2 steps which are briefly described as follows:

<p>Step 1: Determine the main strategic business areas</p>	<p>Setting the priority areas for resources. Future strategy will be driven forward by focusing on specific product and market positions which can then be translated into actions by business function.</p>
<p>Step 2: Define the Strategic Initiatives.</p>	<p>The specific Strategic Initiatives are identified by product and by market segment. Each initiative has time related, clear and measurable objectives. At a later time management can determine the outline steps to be completed and quantify the resources needed.</p>
<p>Step 3: Set individual objectives. (At a later date)</p>	<p>Once Step 2 is agreed then individual members of staff (as appropriate) agree their individual objectives and their pay plans, incentives and quotas are set accordingly.</p>

## Strategic Thinking Process Phase 1: Top Management Strategy • Generic Outline

