

WHAT IF I DON'T KNOW MY ORGANIZATION'S STRATEGY?

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SO, WHAT IF YOU DON'T KNOW YOUR ORGANIZATION'S STRATEGY?

If so, you're not alone. Many folks don't know their organization's strategy.

Heck, many executives in a lot of organizations aren't completely clear on what their company's strategy is!

- In a study of 20 major companies with clearly articulated public strategies, only 29% of employees could identify their employer's strategy from among six choices.[1]
- In another study, only 13% of frontline supervisors and 18% of middle managers could list their company's top three priorities.[2]

Let's start by defining what we mean by strategy. In this context, we use the classic definition of strategy described by Michael Porter:

- Strategy is how you position yourself in the marketplace to create sustainable, defensible competitive advantage.
- It is then about choosing what activities you will undertake to create that competitive advantage.
- Finally, it's also about being clear about what you won't do...on the premise that you can't be all things to all existing or potential customers.

Bottom-line, it's about what your organization does to get its target customers to choose you over all the other potential choices.

Admittedly there are some organizations that just don't have a clearly articulated strategy. That's pretty hard to communicate about and align people to!

So, what do you do if you don't know your organization's strategy?

Start with asking your manager. What do they know about the organization's strategy and what makes it successful? What are the key priorities of your team in supporting the organization's strategy? What do you and your peers need to accomplish to support the strategy? That is, what is your role in the show?

[1] "When CEO's Talk Strategy, Is Anyone Listening?"
Harvard Business Review, June 2013

[2] "No One Knows Your Strategy – Not Even Your Top Leaders"
Donald Sull, Charles





If your manager doesn't know or is unclear, are there opportunities to ask your manager's manager?

Then, how open is your organization? Are there opportunities to ask the CEO or other senior executives about the strategy and what they see as the key priorities in executing it? You might also want to do a little detective work. Think about what it's like to be a customer of your organization. Why do they buy from the company?

Typically, strategy will fall into one of three categories outlined by Wiersma and Treacy in their book, The Discipline of Market Leaders:

- Operational Excellence – Operationally excellent businesses deliver a combination of quality, price and ease of purchase that no one else in their market can match. (Think Nucor in Steel or Walmart or Costco in retail)
- Product Leadership – The value proposition is best product. These companies continually push products into the realm of the unknown, the untried or the highly desirable. (Think Apple or Tesla)
- Customer Intimacy – These companies build bonds with customers like those between good neighbors. They don't deliver what the market wants, but what a specific customer wants. (Think Nordstrom – or our personal favorite, Robert Simmonds Clothing of Fredericton, NB, Canada – in retail)

Market Leaders tend to have a significant advantage in one of those areas. The others are secondary to them. Attempting to be all three generally leads to being average, or worse, in all of them. Does your organization stand out from your competitors in one of those areas?

Then, maybe dive a little deeper.

- Think about: who are your main competitors? How do they compete? What do they do differently from you that causes customers to choose them?

As you dive even deeper, you might want to create a strategy canvas:

- First, identify/list the top 5-7 factors that most influence customer choice. What causes customers to choose you or someone else?
- Then, rate your organization and each of your top 2-3 competitors on each of those items.





Be careful – it's easy to become myopic and see the world from your perspective rather than that of the customers. See the Sidebar: Strategy Myopia

Once you have built your strategy canvas, look at it. Which factors indicate that you have an advantage over the competition? Which suggest that the competition has the advantage?

Finally, consider your role or your team's role in creating competitive advantage:

- What goals must you accomplish to help create competitive advantage?
- What goals must you achieve to help mitigate the competition's competitive advantage?
- What activities are you undertaking that do not contribute to the organization's strategy or to achieving those critical goals? How can you stop or at least decrease the amount of effort going into those activities?

Ultimately, having a better understanding of your organization's strategy will enable you to better align your efforts to the effective execution of the strategy and then delivering better results...which is the point!

STRATEGY MYOPIA

We once worked with a very successful organization which gained most of its competitive advantage through Operational Excellence. One component of Operational Excellence was on-time delivery to customers. Most team members felt like they had a huge advantage over the competition in on-time delivery. However, when they asked their customers, the customers said exactly the opposite. One typical comment, "Not only is that company worse on delivery than others we buy from, we don't even get the sense that they care about it!"

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