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Bestselling Author on Strategic Thinking

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# STRATEGIC

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— THE SKILL TO —  
SET DIRECTION, CREATE ADVANTAGE,  
AND ACHIEVE EXECUTIVE EXCELLENCE



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WILEY

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## CHAPTER 1

# Strategy

*“Good strategies promote alignment among diverse groups within an organization, clarify objectives and priorities, and help focus efforts around them. In essence, they act like a map and compass. They provide direction.”*

—Clayton Christensen, former professor,  
Harvard Business School

The concept of strategy initially sprang from the need for people to defeat their enemies. The first treatises that discuss strategy are from the Chinese during the period of 400–200 BCE. Chinese general and philosopher Sun Tzu’s *The Art of War*, written around the fifth century BCE, has received critical acclaim as the best work on military strategy, including those that have followed it centuries later. However, unlike the later theoretical treatises, the Chinese works took the form of narratives, including poems and prose accounts. An example of this prose form of strategy can be seen in the poem by Lao Tzu, the father of Taoism:

Once grasp the great form without a form  
and you will roam where you will  
with no evil to fear,  
calm, peaceful, at ease.  
The hub of the wheel runs upon the axle.  
In a jar, it is the hole that holds water.  
So advantage is had  
from whatever there is;

but usefulness rises  
from whatever is not.<sup>1</sup>

While at first glance it may be difficult to identify an element of strategy in the poem, a key principle found here is the importance of “not,” because strategy demands trade-offs—choosing your “nots.” The business parallel is the need for disciplined focus that comes from making strategic trade-offs: What products will we not offer? What customers will we choose not to serve? As Meg Whitman, former CEO of companies such as eBay and Hewlett Packard Enterprise, proclaimed, “Our strategy is as much the art of exclusion as it is the art of inclusion.”<sup>2</sup>

The term “strategy” is derived indirectly from the classic and Byzantine (330 AD) Greek *strategos*, meaning “general,” but no Greek ever used the word. The Greek equivalent for the modern concept would have been *strategike episteme* (general’s knowledge) or *strategon sophia* (general’s wisdom). “Strategy” retained this narrow meaning until Count Guibert, a French military thinker, introduced the term *La Strategique* in 1799, in the sense that is understood today. Strategy as a term entered the English language in 1810.<sup>3</sup>

Strategy Fitness refers to your ability to develop strategy, allocate resources, make decisions, and create competitive advantage. Strategy is a prerequisite for success whenever the path to a goal is obscure. Charting a clear path to a desired destination starts with a common understanding and language for strategy. Yet research with 400 talent management executives showed less than half believe their organizations have either a universal definition (44.3%) or a common language (46%) for strategy.<sup>4</sup> And research spanning a 25-year period on the term “strategy” uncovered 91 different definitions!<sup>5</sup>

## Strategy Is Not . . .

*Essence (noun): the basic, real, and invariable nature of a thing.*<sup>6</sup> If there was ever one thing that needed to be returned to its “basic, real, and invariable nature,” that thing is strategy. Like a boat with no anchor flailing about in the open sea, strategy has become unmoored from its true meaning. It has become meaningless. In determining the essence of a thing, it’s helpful to begin with what that thing is not. Think ABCs.

Strategy is not **Aspiration**. How often have you seen a vision or goal masquerading as strategy? A vision is the future aspiration, what you'd like to be in 10 or 15 years. A goal is generally what you are trying to achieve. To become the market leader or the premier provider of your secret sauce or the world's most sustainable product are noble aspirations. Just don't confuse them with strategy.

Strategy is not **Best practices**. If you benchmark the competition and then adopt the best practices, you have not developed strategy. You have converged with the competition, not distanced yourself from it. Strategy serves to differentiate your offerings and your company from the competition by providing superior value to customers.

Strategy is not **Cautious**. Find a strategy that's not last year's leftovers reheated and dolled up with some salt and pepper to make it palatable to the group going down the same path that they've been down a dozen times before. Find a strategy that isn't afraid to upset some of the customer base because it actually contains real trade-offs that are not designed to appeal to everyone, especially the unprofitable, high-maintenance customers you should have fired years ago. Find a strategy that doesn't bore the people expected to implement it because it contains nary a new insight. As Disney CEO Bob Iger said, "The riskiest thing we can do is just maintain the status quo."<sup>7</sup>

**Off Course:** Strategy is not Aspiration, Best practices, or Cautious.



The following are examples of strategies pulled from real companies:

"Become more profitable."

"Grow our audience."

"Be number one in the market."

"Execute integration and capture synergies."

"We're trying to find the people who were customers and didn't come back. That's a major strategy."

That last one still cracks me up. Make no mistake: bad strategy can literally kill a company. In a 25-year study of 750 bankruptcies, the researchers found that the number-one cause of bankruptcy was bad

strategy.<sup>8</sup> Bad strategy often begins with imprecision in applying planning terms to our business. As the Chinese philosopher Confucius noted, “The beginning of wisdom is to call things by their right name.”

A plan answers two fundamental questions:

1. What are you trying to achieve?
2. How will you achieve it?

## GOST Framework

I created the GOST Framework™ (Figure 1.1) to help leaders and their teams develop a consistent approach to answering these two key questions and provide a common language for strategy.

A goal is *WHAT generally* you are trying to achieve, let’s say reaching the top of a mountain. The objective is *WHAT specifically* you are trying to achieve, so in this example ascending 3,000 feet each day for four days until we reach the 12,000-foot summit. Objectives are often described with the acronym SMART: Specific, Measurable, Achievable, Relevant, and Time-bound.

The strategy is *HOW generally* you’ll reach the goal and objective, in this case your general approach to reaching the top of the mountain—hiking straight up, zigzagging, or ascending a path on the opposite side. The tactics



**Figure 1.1** GOST Framework.

then are HOW *specifically* you'll achieve your goal—using ropes, pickaxes, or maybe an inflatable raft to paddle around to the other side.

Here is an example for the business application of the GOST Framework:

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Goal:	Become the market leader in wearable biotechnology.
Objective:	Achieve 40% market share in the apparel category by Q4.
Strategy:	Neutralize competitor product entries through real-time innovation.
Tactic:	Key customers contribute to product engineering platform.

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**Rocket Burn:** The GOST Framework enables you to clearly and consistently answer the two foundational questions at the core of a plan:

1. What are you trying to achieve? [Goals & Objectives]
2. How will you achieve it? [Strategy & Tactics]



Ozan Varol, author of the book *Think Like a Rocket Scientist*, reinforces these definitions when he writes, “A strategy is a plan for achieving an objective. Tactics, in contrast, are the actions you take to implement the strategy. We often lose sight of the strategy, fixate on the tactics and the tools, and become dependent on them. But tools can be the subtlest of traps. Only when you zoom out and determine the broader strategy can you walk away from a flawed tactic.”<sup>9</sup>

A common challenge is distinguishing between strategy and tactics. The complementary nature of strategy and tactics has defined their intertwined existence. In the military realm, tactics teach the use of armed forces in engagements, while strategy teaches the use of engagements to achieve the objectives of the war. The original meaning of “tactics” is “order”—literally the “ordering of formations on the battlefield.”<sup>10</sup>

However, the current use of “strategic” and “tactical” stems from World War II. “Strategic” is associated with long-range aircraft and missiles, while “tactical” has referred to shorter-range aircraft and missiles. The term “strategic” then became associated with the completely incidental quality of long range, which bombers might need to attack industrial targets in some geographic areas. In turn, that caused “tactical” to take on the aura of short range.



**Off Course:** Putting the word “strategic” in front of other planning terms such as “goals” or “objectives” adds no value and only muddies the water. Keep goals, objectives, strategies, and tactics separate.

From a business perspective, a more accurate and useful distinction than time for strategy and tactics is general versus specific. Strategy is how *generally* to achieve a goal while tactics are how *specifically* to achieve a goal. If your team struggles with the difference between strategy and tactics, perhaps the “Rule of Touch” will help. If you can reach out and physically touch some aspect of the item in question, it is most likely a tactic. Strategy, on the other hand, is abstract, like leadership or love. In his writings that became the book *The Art of War*, Sun Tzu described the difference between strategy and tactics this way: “All the men can see the tactics I use to conquer, but what none can see is the strategy out of which great victory is evolved.”<sup>11</sup>

## Strategy Defined

Strategy can be defined as the intelligent allocation of resources through a unique system of activities to achieve a goal. Simply put, strategy is how you plan to achieve your goal. With this definition comes the caveat of competition—both direct and indirect—which will attempt to prevent you from reaching your goal. That is why plans must be fluid and strategy created and calibrated with a continuous flow of strategic thinking.

Based on strategy’s definition as “the intelligent allocation of resources through a unique system of activities to achieve a goal,” let’s break strategy down into its three primary components:

1. **Allocation of Resources.** How you and your organization use your resources—time, talent, and budget—comprises your strategy. You may have a strategy written down in a PowerPoint deck, but observe how your people are spending their time, talent, and budget every day and you’ll see your true strategy. Discipline is a key ingredient. Aimlessly investing a few hours each day on tasks that are

not directly supportive of your goals may seem productive but will destroy your chances of real success. If you have not clearly written out and communicated the strategy on a consistent basis, then where people channel their resources becomes a matter of chance. Good leaders don't leave strategy to chance.

2. **Unique System of Activities.** Perhaps the most common error in business planning is mistaking operational effectiveness for strategy. Operational effectiveness is the proverbial wolf in strategy's clothing. It means performing similar activities in a similar manner as competitors, trying to do them a little better or faster. However, employing operational effectiveness without strategy is like running the same race as competitors, only hoping to run a little faster. Creating strategy indicates that we are going to run a different course than our competitors are running—one that we ourselves have designed to win. A study of more than 200 companies found that 93% of the top 20% of financial performers have a strong form of differentiation at their core.<sup>12</sup> Do you? If your strategy does not include different activities or similar activities performed in different ways, then it's not going to create distinct value. Not until you get off the beaten path can the beating begin.
3. **Achieve a Goal.** In preparation for facilitating strategy workshops and executive coaching with senior executives, I review roughly 300 plans a year, and some are too complex, too long, or both. A good plan simply answers the two questions we introduced earlier: 1) What are you trying to achieve? 2) How will you achieve it? Your goal and objective represent the answer to the first question (what you are trying to achieve), and strategy and tactics answer the second question (how you will achieve it). While it may be tempting to start with the strategy in developing a plan, remember that you first have to determine your destination before you can identify how to get there.

**Rocket Burn:** Strategy is the intelligent allocation of resources through a unique system of activities to achieve a goal.



## When to Change Strategy

We as human beings don't like to change. The Johns Hopkins School of Medicine reports several studies of people who underwent a type of heart surgery called CABG, or "coronary artery bypass grafting." The doctors met with patients immediately following the heart surgery and told them they must make changes in their lifestyles, including diet, exercise, and medication. Two years later, the percentage of patients who did not make any sustainable changes was 90%.<sup>13</sup> That's right—90% of patients made no changes despite being told that without those changes, they had a greater chance of dying.

If it's that difficult for people to make changes when their lives are at stake, what's the chance we'll change our business strategy when the time comes? And exactly how do we know when the right time is to change it? One thing is for sure: not changing strategy at the right time can start a death spiral for your business.

Research on 500 companies examined their stall points, or continued periods of revenue decline, and found that 70% of stall factors resulted from a choice about strategy. During these stall points, companies lose on average 74% of their market capitalization in the decade surrounding the stall point.<sup>14</sup> The ability to modify strategy at the right time can literally save or destroy a business. Here is a checklist of five moments when it is critical to reevaluate your strategy.

1. **Goals are achieved or modified.** Since goals are "what" you are trying to achieve and strategy is "how" you're going to get there, it makes sense that if the destination changes, so too should the path to get there. As you accomplish goals and new goals are established, changes in resource allocation are often required to meet them. In some cases, goals are modified during the course of the year to reflect changes in the market, competitive landscape, or customer profile. It's important to reflect on the strategy as these changes occur to see if it also needs to be modified.

Ask yourself: Have goals been achieved or changed?

2. **Customer needs evolve.** The end game of business strategy is to serve customers' needs in a more profitable way than the competition. But as the makers of VHS tapes, printed encyclopedias, and pagers

will tell you, customer needs evolve. The leaders skilled in strategic thinking are able to continually generate new insights into the emerging needs of key customers. They can then shape their group's current or future offerings to best meet those evolving needs.

Ask yourself: Have customer needs changed?

3. **Innovation in the market.** The word “innovation” is used by almost everybody and consistently practiced by a very few. In the vast sea of articles and books on innovation, the simplest definition is “creating new value for customers.” The new value may be technological in nature, but it can also be generated in many other ways, including service, experience, marketing, process, and so on. It may be earth shattering, or it may be incremental in nature. The key is to keep a tight pulse on the market, customers, and competitors to understand when innovation, or new value, is being delivered and by whom. Once that's confirmed, assess your goals and strategies to determine if they need to be adjusted based on this new level of value in the market.

Ask yourself: Is there innovation in the market?

4. **Competitors change perceived value.** For many years, fast food was fast food. There are burgers, tacos, chicken, pizza, and hot dogs—the standard fare. Within each category, there was greater similarity between competing offerings than distinction. Enter Chipotle, a company that has focused on a “Food with Integrity” campaign in which their healthy ingredients have played the starring role in their burritos, tacos, and bowls. Sourcing their food from farms rather than factories, they became the first national restaurant chain to voluntarily disclose the presence of GMOs (genetically modified organisms) in their food. Increasing the perceived value of an aspect of your offering—in Chipotle's case, ingredients—through marketing campaigns, social media, celebrity endorsers, and so on, is a real weapon or threat, depending on your position.

Ask yourself: Have competitors changed perceived value?

5. **Capabilities grow or decline.** A final consideration when determining whether to change strategies falls under your own roof. Having led strategic thinking and planning sessions for the past 25 years, I know how challenging it can be for organizations to honestly evaluate their capabilities and their effectiveness. A list of 17 strengths during the SWOT Analysis (strengths, weaknesses, opportunities, and

threats) is one indication. However, objective assessment of the group's capabilities relative to the competition is a starting point. If they have significantly grown, it may open up new avenues or strategies for increasing profits. If the capabilities have declined, it may call for new approaches, whether neutralizing strategies or exit strategies.

Ask yourself: What is the state of our capabilities?

### 3A Strategic Framework

While there are many skills an executive must be proficient at in order to successfully run a business, the research shared earlier shows that none are as important as their ability to develop strategy. How then do you ensure that strategy development isn't a weakness that torpedoes your career and your company? By becoming more effective at thinking, planning, and acting strategically.

Introduced earlier as the conceptual foundation of the Strategic Quotient Assessment, the 3A Strategic Framework (Figure 1.2) represents the key areas of being strategic:

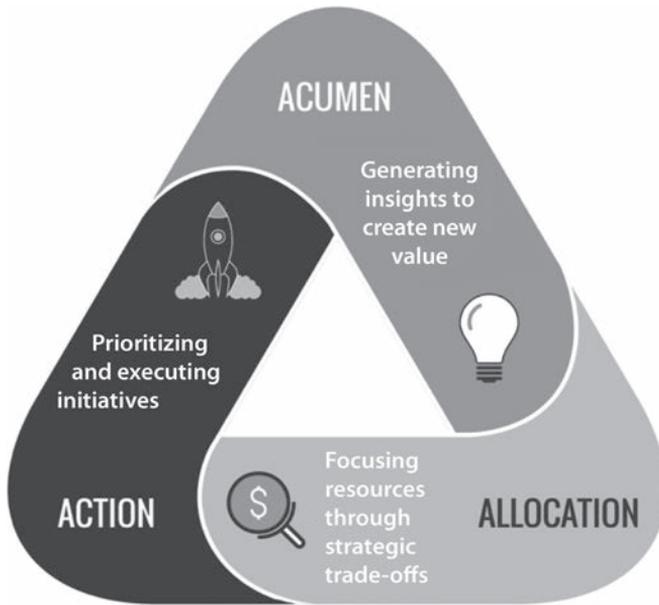
**Acumen (Thinking):** Generating insights to create new value

**Allocation (Planning):** Focusing resources through trade-offs

**Action (Acting):** Prioritizing and executing initiatives

**Acumen** begins with ensuring that all of your people are accountable for contributing new ideas that lead to customer and organizational value. Elite leaders design insight networks that connect people and their ideas across functions and levels. Some have taken this a step further by assigning accountability to their direct reports for harnessing insights from their teams on a monthly basis and generating "Insight Updates" across the matrix. This means that everyone is contributing ideas on how the business can be more effective, efficient, and innovative. As Apple CEO Tim Cook said, "We want ideas coming from all 80,000 people, not five or three. A much smaller number of people have to decide and edit, and move forward, but we want ideas coming from everywhere."<sup>15</sup>

**Allocation** begins with active disengagement. Inventory the areas where your time, talent, and budget are currently being spent and then match those aggregates with your priorities. You'll be amazed at how



**Figure 1.2** The 3A Strategic Framework.

much time and budget is continuing to be invested in areas that don't yield value. Then have the guts to pull the plug on things that aren't working—not slowly over nine months, but now! Research by the MIT Sloan School of Management shows that 80% of mid-level managers say their senior leaders fail to kill unsuccessful initiatives quickly enough.<sup>16</sup> How many tasks and initiatives are your team currently working on that add little value while sucking up the time and energy of your best people?

**Action** begins with a more strategic approach to your time. A Harvard Business School study of 60,000 CEO hours identified the CEO's largest time commitment is meetings, at 61% of their time.<sup>17</sup> Since meetings are on average the largest consumer of an executive's time, they need to be as productive and efficient as possible. Currently, they are not. A whopping 71% of executives say that their meetings are unproductive and inefficient.<sup>18</sup> To add insult to injury, half of all companies surveyed indicated senior leaders' meeting agendas were either exactly the same or completely ad hoc.<sup>19</sup> It's difficult to act strategically if your calendar manages you, instead of you managing your calendar.

The 3A Strategic Framework of Acumen, Allocation, and Action can be an effective mental model to trigger you to think, plan, and act strategically on a regular basis. It requires the discipline to prioritize learning, harness your team's best thinking, and set a course to continually overcome challenges in the pursuit of excellence. Being a senior leader should no longer be dictated by years on the job, but by the expertise and value a person brings. It's an honor to lead people, so approach it as such. Do it strategically with a hunger for new insights and you'll make the most of the opportunity. Do it tactically with complacency and you won't do it for long.

## Strategy Development

Strategic thinking is the ability to generate insights that lead to advantage. Strategic planning is the channeling of those insights into an action plan that drives people's activities. The strategic plan should clearly describe where the business is today, where it's going, and how it's going to get there. Inherent in that description is what you choose to do and—equally important—what you choose *not* to do. Great strategy demands trade-offs, and trade-offs come from the ability to make decisions, and cut things off from your time, attention, and resources. As *Money* magazine research noted: “The higher you go, the more valuable strategic thinking becomes. Both ‘strategy development’ and ‘business strategy’ are skills that set executives apart. Moreover, even within that elite stratum, workers with those skills earn 9.1% and 8.2%, respectively, more than those without.”<sup>20</sup>

Research demonstrates that 66% of organizations lack a coherent set of strategic thinking frameworks and 81% of managers say they do not have a consistent process for developing strategy.<sup>21,22</sup> An effective method for strategy development includes regular conversations guided by strategic thinking frameworks. These frameworks are shaped by a concise strategy process that helps leaders take a consistent approach to setting strategic direction and ensures that they are thinking holistically about the business. With more than 150 strategic thinking tools to choose from, it's important to select the few that are most relevant to your business so as to not overwhelm the team.

A few years back I was invited to Venice, Italy, to lead a strategic thinking workshop for executives from western Europe. Following the

workshop, I traveled to Florence, Italy, and had the opportunity to visit the Accademia Gallery, home to perhaps the most famous of all sculptures, Michelangelo's *David*. After taking in this awe-inspiring work of art, I walked back down the hall to view some of Michelangelo's other sculptures, including the *Four Prisoners*. It was here that his unique approach to sculpting came shining through for me.

His approach involved the element of discovery. Whereas his counterparts would carve their figures into the stone, Michelangelo started with the belief that the figure was *already* in the stone before he touched it. His gift was to uncover the figure that lay waiting in the stone. Michelangelo's works such as *The Atlas* demonstrate this approach: the figure is only partially visible and the remainder lies embedded in the stone. His task was to uncover, or *free* the figure from the stone.

For thousands of years, strategists and sculptors have used similar techniques to create their works. Sculptors employ one of two techniques: modeling or carving. Modeling sculptors begin with an intense study of their subject and then mold soft materials such as clay or wax into specific shapes. Carving sculptors, on the other hand, create an art form by removing or chiseling material from a shapeless block of wood or stone, often without having a specific end result in mind.

The modeling technique of sculpture is analogous to the classical school of strategy development where intense analysis of the industry and competitive landscape is used to form the strategy. Similarly, the carving technique of sculpture is comparable to the evolutionary school of strategy development, where strategy emerges from the marketplace environment. Michelangelo's sculpture and your business strategy share the common element of both starting out buried in their compositions. However, once intense analysis and the accompanying synthesis occur, they both begin to emerge with clarity and vision.

Michelangelo's belief that the figure is embedded in the stone, requiring vision and skill to draw it forth, teaches us a valuable business premise: your business strategy lies embedded in the form that encompasses your customers, competition, company offerings, and marketplace opportunities. What is required of you is the strategic thinking necessary to free your strategy.

The process of developing strategy is quite similar to the process that a sculptor uses to navigate the process of creating a work of art. Therefore,

we can describe the five phases of the best-of-breed strategy development process in concert with the five phases of sculpting.

### ***1. Discovery: “Choosing the Tools”***

A sculptor begins the process by selecting the material to work with (clay, marble, metal) and the appropriate tools (hammer, chisel, knives) with which to work. Similarly, the discovery phase of strategy development involves the selection of the people, process, and information to be used.

The discovery phase of the strategy development process entails designating the team, outlining the process being used, and disseminating the prework. The prework involves intelligence gathering on the market, customers, competitors, and the organization. Specific tasks include primary research with customers and employees in the form of one-to-one interviews, focus groups, and the Strategy Survey.

### ***2. Strategic Thinking: “Playing in Space”***

Once a sculptor has chosen the tools, they begin working ideas out in space by creating a maquette, or small 3-D model of the intended work. The strategic thinking phase provides the forum for the group to begin generating and capturing their business insights in model format.

The strategic thinking sessions, conducted with the strategy development team, are designed to generate new insights through a methodical and comprehensive examination of the four key areas of the business: market, customers, competitors, and company. In examining these areas, often the primary challenges identified can act as the seeds of strategy. The main reason so many strategic plans collect dust and are not actively used to drive daily activities is because they don't contain any new thinking on current challenges. The lack of insights in a plan is often due to the management team's failure to invest time in high-level strategy conversations guided by a thoughtful process.

### ***3. Strategic Planning: “Building the Framework”***

After creating the miniature 3-D model, the sculptor working in clay creates a skeletal structure or wire frame, known as an armature, to serve as

the foundation of the sculpture. The strategic planning phase acts in the same manner, creating the framework for the strategy and all of its elements.

The strategic planning phase transforms the insights generated from strategic thinking into the strategic action plan that achieves the organization's goals and objectives and includes the appropriate timelines and budgets. The key is that the deliverable is a concise one- to three-page map or blueprint for the business.

#### ***4. Strategy Rollout: “Sculpting the Masterpiece”***

Once the framework has been developed, the artist sculpts the figure, adding and taking away material as necessary. In the same way, the strategy rollout phase transforms the strategic plan into the activities and offerings that move the business forward.

The strategy rollout phase ensures that the key elements of the strategic action plan are clearly communicated throughout the organization and that an implementation plan is in place. The following steps support the strategy rollout:

1. Development of the communication plan
2. Dissemination of the strategic action plan through the chosen communication vehicles to employees
3. Collection and review of feedback regarding the strategic action plan components and the effectiveness of their communication to the organization
4. Incorporation and application of the strategic action plan to employees' daily activities and their corresponding metrics
5. Periodic pulse-taking to monitor progress and assess effectiveness and relevance of both strategy and tactics and their understanding by employees

#### ***5. Strategy Tune-up: “Polishing the Form”***

Once the sculptor finishes the work, they must ensure that adjustments, such as proper lighting, and maintenance activities, including cleaning and polishing, are performed on a regular basis to keep the sculpture in its best form. Similarly, the strategy tune-up phase serves to keep the strategy in an evergreen state.

Comprised of a half- to full-day session on a quarterly basis, the strategy tune-up consists of periodic formal reviews of the business by the strategy development team to hone their work. The team methodically reviews the four key areas of the business—market, customers, competitors, and company—to identify changes and make any necessary adjustments to strategy and tactics.

Great strategy, like great works of art, requires vision, creativity, and hard work. Are you and your team bringing each of these elements to your business? If not, your success may stay buried in mounds of irrelevant activities, like the figure in *The Atlas* struggling to free his potential. Successfully generating insights from these regular strategy conversations are the springboard for the strategic plan.

## Designing a StrategyPrint

One way to evaluate someone's strategic capabilities is to take a look at their plan. If the plan is long, complicated, and not crystallized into a useable one- to two-page document, then there is work to be done. The longer the plan, the less likely it is to be updated with new insights and remain a relevant compass for one's strategic direction. Brian Chesky, CEO of Airbnb, shares his perspective on the strategic plan: "If you can't fit it on a page, you're not simplifying it enough. I told my team they have to put the entire plan on a page this big (8.5" × 11") by next week—same size font."<sup>23</sup>

To help executive teams with this challenge of condensing their plans into useable documents, I developed the StrategyPrint<sup>®</sup>. The tool serves as a two-page blueprint for the business:

Page 1: Insights, People, and Priorities

Page 2: Action Plan

Page 1 is focused on insights, which are defined as learnings that lead to new value. Placing insights at the beginning acts as a behavioral trigger to move leaders to actively generate and capture them as a part of what they do. Categories of insights might include customer, team, business, and culture. A key step is to assign accountability for insights to ensure your team is aware of and actively engaged in discovering them.

Insights then shed light on priorities and the people to help achieve them. While priorities consist of the activities, initiatives, and projects

that drive your business, it's critical also to take a strategic look at the people who contribute to their accomplishment. Key people may include customers, select members of the board of directors, peers, direct reports, suppliers, and vendors. What are the development activities you have in place to continue to build and nurture those relationships?

Page 2 channels your insights and priorities into an action plan. The action plan needs to answer these two questions identified earlier:

1. What are you trying to achieve?
2. How will you achieve it?

It's useful to answer those questions by identifying the goals and objectives (what you are trying to achieve), and the strategies and tactics (how you will achieve them). There are a number of other elements that can be customized to this area based on your business, but be sure to answer those two key questions.

At the heart of your plan are the activities, which act as the hub for purpose, people, and resources. A common sign an organization is missing the discipline to make trade-offs, which in turn acts as the filter within the strategy, is the proliferation of activities and tactics to the point that people are drowning in them. Consider your team: Is there a clear set of three to five priorities on which the majority of your activities are based?

To take a quick check on how well your team is applying the concepts and tools of strategy to the business, take the complimentary 20-question quiz, "Is Your Team Tactical or Strategic?" at <https://www.strategyskills.com/is-your-team-strategic/>.



## Trail Blazes

Strategy Fitness refers to your ability to develop strategy by allocating resources, making decisions, and creating competitive advantage.

Strategy is not Aspiration, Best practices, or Cautious.

A plan answers two fundamental questions:

1. What are you trying to achieve?
2. How will you achieve it?

GOST Framework:

Goal: What you are trying to achieve [General]

Objective: What you are trying to achieve [Specific]

Strategy: How you are trying to achieve it [General]

Tactics: How you are trying to achieve it [Specific]

Strategy can be defined as the intelligent allocation of resources through a unique system of activities to achieve a goal. Simply put, strategy is how you plan to achieve your goal.

Five moments to consider changing strategy:

1. Goals are achieved or modified.
2. Customer needs evolve.

3. Innovation in the market.
4. Competitors change perceived value.
5. Capabilities grow or decline.

The 3A Strategic Framework represents three key areas of being strategic:

Acumen (Thinking): Generating insights to create new value

Allocation (Planning): Focusing resources through trade-offs

Action (Acting): Prioritizing and executing initiatives

Five Steps of the Strategy Process:

1. Discovery: “Choosing the Tools”
2. Strategic Thinking: “Playing in Space”
3. Strategic Planning: “Building the Framework”
4. Strategy Rollout: “Sculpting the Masterpiece”
5. Strategy Tune-up: “Polishing the Form”

A StrategyPrint is a two-page blueprint for the business containing insights on performance, people, priorities, and the action plan.