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Growth, Agility + Transformation

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Ambition to Action: Strategic Foundations for (Small) Business Success

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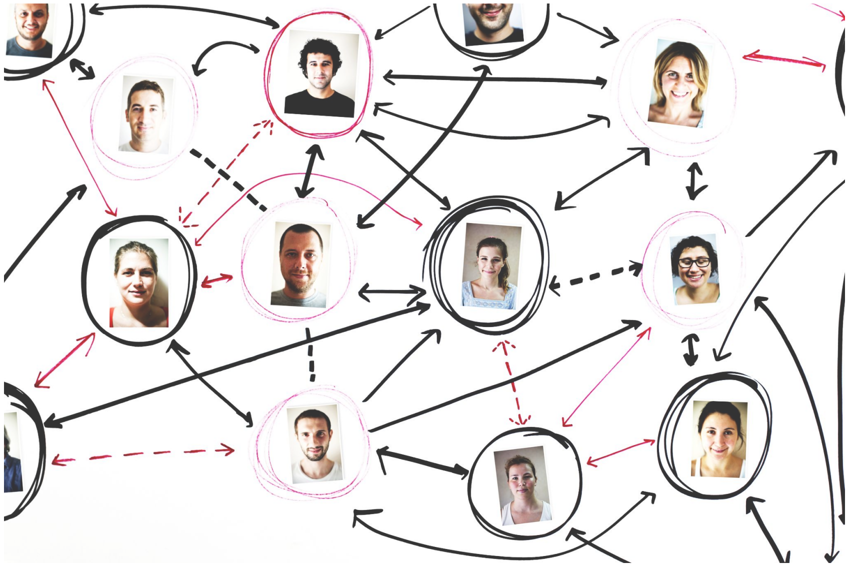
What We'll Cover

- Why Am I At The Front Today?
- Everything Starts With A Problem
- The Solution
- Strategic Foundations vs Strategy
- Importance of Destination
- Vision, **M**ission vs **m**ission, Values
- Now For Your Strategy!

Why Me?

- Business consultant - Strategy, Objectives & Key Results (OKRs), Agile Transformations
- The basics:
    - Businesses = Individuals + Interactions
    - Strategy: so many get it wrong, but it’s so easy to get right!
    - Right people having the right conversations



- What am I hoping to achieve today?

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The Problem

- Most organisations aren't as effective as they could be or should be
- Creating and refining strategy is often seen as a chore
- Organisations don't practice enough to do it well
- Strategy is defined without reference to purpose, opportunity, risk or capability
- Businesses are optimised for being busy, rather than being effective

The Solution

- Creating habits around taking a high level view (30,000ft vs 1000ft)
- Committing time and space to regularly revisit the core strategy building blocks - applying correct mindset
- Developing & maintaining a strong **strategic foundation**
- Understanding that the world is undergoing constant change (VUCA), so you need to flex too

rapid, seemingly random changes

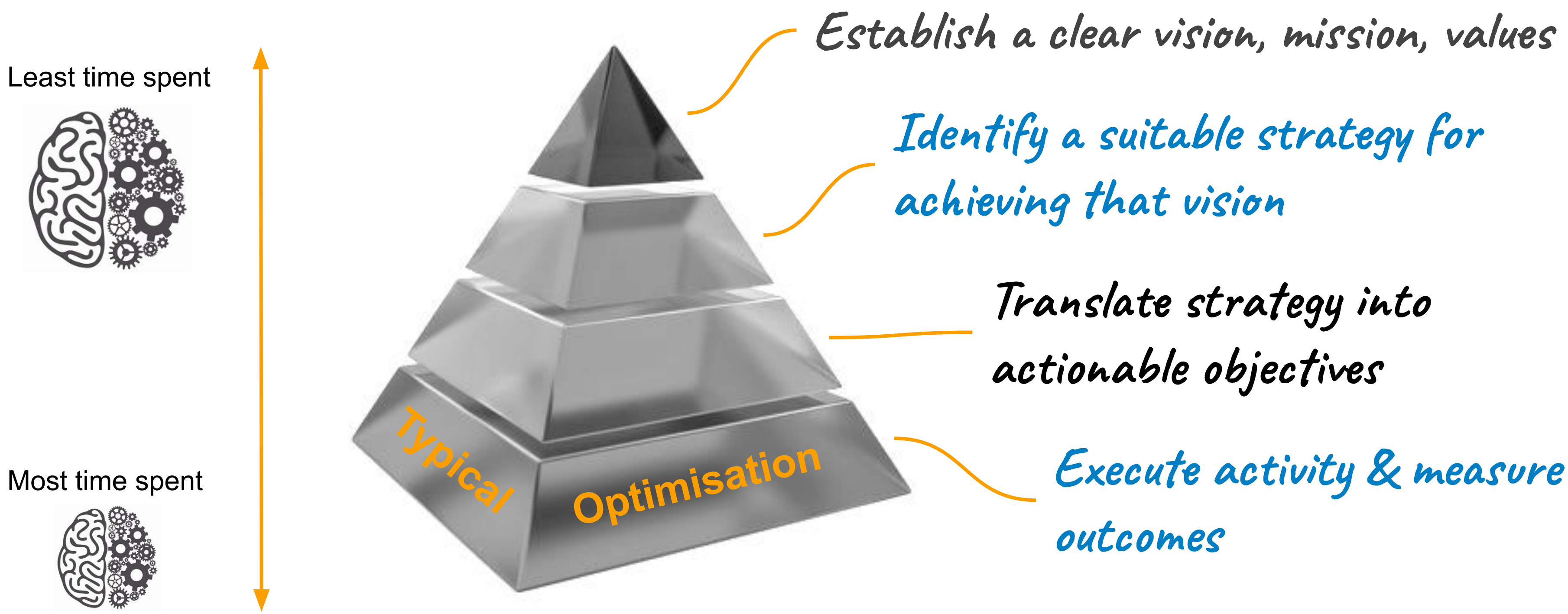
incomplete information about the future

high density of interactions

many possible interpretations

Strategic Foundations vs Strategy

- Think of strategy as a multi layered discipline - each layer is critical
- Creating a strategy shouldn't be hard, BUT
- Important to start at the top, not the middle
- Keep it simple!



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Strategic Foundations vs Strategy

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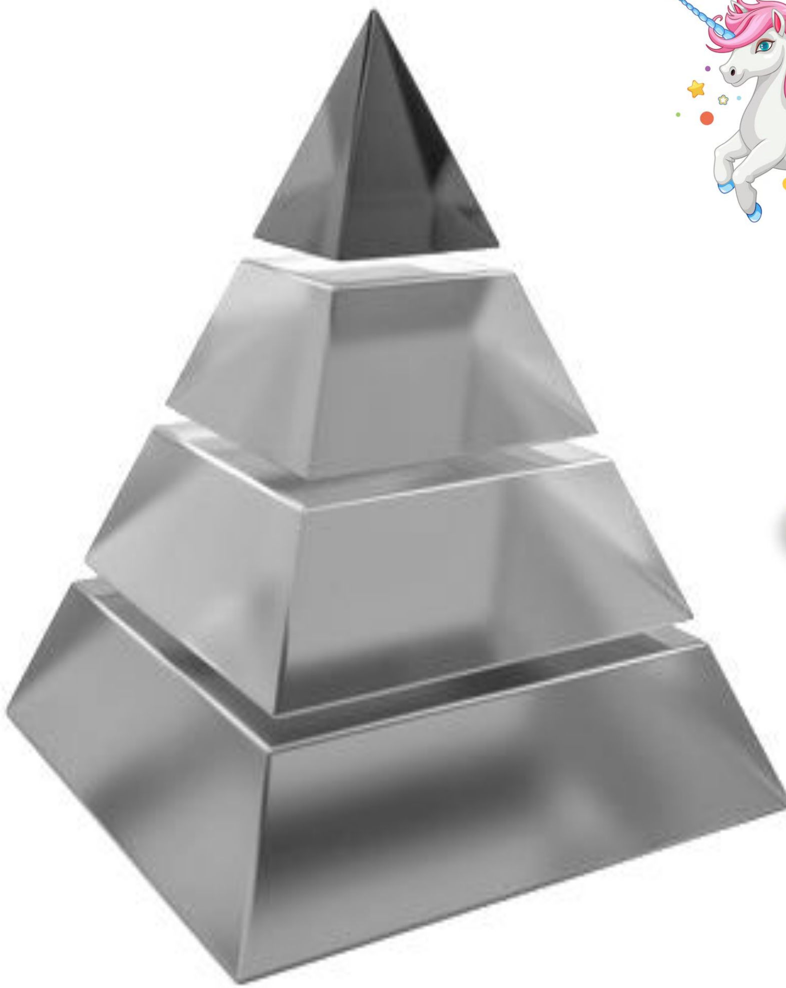
Strategic Foundations vs Strategy



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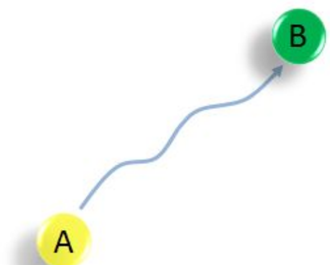

Strategy

Action

Importance of Starting with Destination

The lesson for organisation leaders:

- **Think of a car journey without a destination**
- **Without a destination the work being done is potentially wasted effort**
- **And if we don't know where we're going, or what we're trying to achieve, then how how will we know if we ever arrive?!**

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Practical Tip 1 - Know Where You're Heading

There is nothing like a dream to create the future - Victor Hugo

- What is the ideal desired future for the organisation?
- How will the world be different as a result of our organisation?

= **Vision**

- What are the primary activities we wish to engage in?
- Who are our key stakeholders/clients, and what value do we wish to provide them?

= **Mission**

- What are the behavioural guidelines that will guide the way we achieve our vision and mission?
- How do we want our stakeholders to see us?

= **Values**

The lesson for organisational leaders:

- **These foundations will inspire your teams, but are not actionable on their own. The essence of strategy is to solidify this step, transitioning it from a subjective ideal to an objective, operational reality.**

Example - Google

Vision - *To provide access to the world's information in one click*

- **Key takeaway**: Google's vision emphasises its role as a global information provider, aiming for simplicity, speed, and universal access to data and knowledge

Mission - *To organize the world's information and make it universally accessible and useful*

- **Key takeaway**: The mission breaks down the vision into a clear, actionable purpose. Google is not just about access, but also about organising vast amounts of information in a way that's helpful to everyone globally

Values - Serious without a suit, the need for information crosses all borders, make money without doing evil, it's best to do one thing really, really well…

- **Key takeaway:** These values help shape Google's organisational behavior, influencing everything from its hiring practices and product development to its user interactions and community contributions. They reflect a strong emphasis on user-first thinking, innovation, ethical business practices, and the pursuit of excellence

Vision - Consider This

Research by *Gallup* found that only **22%** of employees strongly agree that the leadership of their organisation has a clear direction for the future

A study by *Harvard Business Review* found that only **30%** of employees feel their organisation's vision is compelling and aligns with the strategic direction

The *Korn Ferry Institute* found that only **42%** of executives believe their organisation's vision is credible and effectively drives decision-making and long-term planning

According to a survey by *Gartner*, **63%** of senior executives believe that their organizations do not have a clear and compelling vision

A survey by *McKinsey & Company* revealed that only **29%** of organisations have a vision that is well-articulated and integrated into their strategic planning process

The lesson for organisation leaders:

- **How can organisations be truly effective this way?**
- **Opportunities to be better abound**

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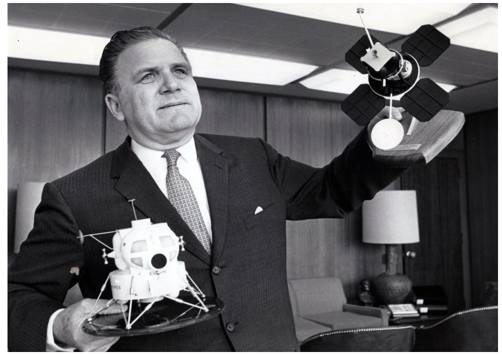
Mission Or mission?

JF Kennedy (1962) - “Do you think this program is the top-priority program of the agency (NASA)?”

Kennedy wanted it to be THE **M**ission



James Webb - “No, sir, I do not, I think it is *one* of the top-priority programs….”

Webb wanted it to be A **m**ission (BHAG), tied in to a wider Mission of “US preeminence in space”

“NASA entered a four-decade identity crisis from which it has yet to emerge.” (John Logsdon, founder of the Space Policy Institute)

The lesson for organisation leaders:

- **Don’t mistake a goal - no matter how big, hairy, and audacious - for a compelling organisational mission**
- **You can achieve a mission and put it behind you, but a Mission is always up ahead and just beyond your reach**

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Values - Different Sides, Same Coin

charity: water

Focuses on transparency, charitable giving, and storytelling to provide clean water as a humanitarian effort

xylem

Profit-driven company that provides technological solutions for water management, focusing on innovation and market-based approaches

- Both organisations contribute to solving the global water crisis, but their values and operational approaches differ significantly
- Values - decision making, brand identity & reputation, define responses to crises & change

The lesson for organisation leaders:

- **Where branding and values diverge we often see significant customer dissatisfaction and sometimes regulatory involvement - Boeing (safety, integrity, quality), VW (sustainability, environmental responsibility), Uber (inclusion, diversity)**

Now’s The Time To Define Strategy

- Very simple objective: to bridge the gap between the ambition, and the reality
- Defines how, within a specific timeline (e.g. this year) we are going to move the business *towards* that ambition
- Short timelines, small number of stretching objectives - **ruthless prioritisation**
- “Doubling turnover” isn’t a strategy, but it may be the outcome of a great strategy!

“Strategy is a logical argument that coherently articulates how the firm’s resources and activities combine with external conditions to allow it to create and capture value… the development, communication, and maintenance of a strategy argument is best achieved through an open process of *actually arguing* within the organisation, engaging in productive debate.” - Jesper Sørensen & Glenn Carroll (*Making Great Strategy*)

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The Damning Statistics About Organisational Strategy

A survey by Bridges Business Consultancy found that **85%** of executive leadership teams spend less than one hour per month discussing strategy, and **50%** of teams spend no time at all on strategy discussions

A survey by *The Economist Intelligence Unit* found that only **50%** of executives believe their organisation has a clear and credible strategy

70% of organisations fail to execute their strategies effectively, according to research by Harvard Business Review. This indicates a significant gap between strategic planning and execution

According to a study by *Gartner*, **56%** of organisations said their strategies are only moderately aligned with their long-term goals, indicating that nearly half may have strategies that are not fully credible or effective

Only **5%** of employees understand their organisation's strategy, according to a study by Robert S. Kaplan and David P. Norton

A survey conducted by *Bridges Business Consultancy* revealed that only **20%** of employees fully understand their company’s strategy

The lesson for organisation leaders:

- **Organisations may potentially lose up to 40% of their annual profits due to inefficiencies and missed opportunities caused by ineffective strategic planning**

6 Key Questions For Strategy Definition

1. Do we understand where we are trying to go?
2. Do we understand where we are now?
3. What are our internal capabilities (resources, skills, finances)?
4. What are our external opportunities or threats?
5. All things considered, what are the most purposeful things that will get us from “here” to “there” (prioritise)?
6. How will we measure success (how will we know we’ve arrived)?

And Don't Forget…

If you want the rest of the organisation to come along with you on the journey (and you definitely do!):

1. Communicate, communicate, communicate…
2. Be transparent
3. Share the successes (and the failures)
4. Accept that your strategy may be out of date before you even start so be prepared to flex - remember the world is VUCA!
5. "Pace over perfection"
6. Just start!

Thank You!

Any Questions?