



## Four Steps to a Winning Business Strategy!

If your business is not performing to expectations, failing to realize its full potential, then often the answer is not about “more sales”, better staff or different products - but something more fundamental, the lack of a clear business strategy.

A well-developed business strategy has four key elements – these being:

- Vision – Who we are and where we want to be.
- Business Strategy – How the vision is realized.
- Clear Objectives - To deliver the business strategy.
- Linking what is important for all key stakeholders to the vision and strategy.

When developed, all other elements within the business can be aligned to support the business strategy:

- Marketing Strategy
- People Strategy
- Customer relationships
- Finances
- Logistics
- Warehousing
- Processes and systems
- Etc.

While the foregoing may seem logical, in our experience too many businesses, fall into the trap of simply setting goals and objectives without having first developed a guiding business strategy. The result being, they end up trying to be “all things to all people”, marketing lacks clear focus, customers are not engaged and the business fails to perform to expectations.

So how do you go about developing a winning business strategy?

### Step 1 - Develop a compelling vision

To create a winning business strategy, the first step is to develop a clear vision as to what the business will look like when it has realized its full potential. This may be in 5 years, 10 years – but whatever timeframe you use, it is important you develop a clear vision of the end product.

This is not about creating a fanciful picture of your business – which once created, sits in a bottom drawer to gather dust – a Vision has a very practical application – it should be used as a reference point to guide all decisions taken in the business! Effectively acting as a compass to keep you on track!

Tom Watson, who established IBM, is an example of how this can work. Before the business even started, Watson had developed a vision of IBM as a global company. He then asked how would such a company operate on a day to day basis, how would it interact with its customers, etc. He then commenced operating as a global company, on a day-to-day basis from the outset. Everything he did was benchmarked against the vision – every decision aligned to this ultimate strategy.

A clear vision is the first and very necessary step towards developing a winning business strategy!

## **Step 2 – Develop a clear business strategy that will support the vision.**

Having developed your vision, the next step is to formulate a strategy to deliver the vision. The strategy needs to spell out how the business will actually deliver on each element of the vision. How it will make it a reality. The strategy needs to consider:

- The markets in which it will compete.
- The target customers. Their characteristics. Location. Preferences. Etc.
- The key points of difference – why customers will do business with us.
- Marketing strategy
- Your people strategy – the roles they will fulfill.
- If the business has retail outlets. What will they look like? Number? Merchandising?
- The key ingredients that will make the business successful.

When the strategy has been developed, then specific objectives, the “how”, can start to be developed. However, they can only be effective and properly targeted, if a clear vision and business strategy have first been developed!

## **Step 3 – Clear objectives that need to be achieved**

Having developed the business strategy, the next step is to set clear objectives that need to be achieved for the business strategy to be successful:

- How much?
- What?
- By when?
- By who?

The starting point is to ask what needs to be in place – what goals need to be achieved, for the vision to be fully realized?

If for example, the timeframe was say five years, what would need to be achieved by year:

- Year 4?
- Year 3?
- Year 2?

- Year 1?

This work should result in a series of clear objectives and Action Plans that will progressively deliver the business strategy.

#### **Step 4 - The secret for success!**

While the foregoing three steps will undoubtedly set you on the right path – the degree to which you, your partners and employees “buy in” to the vision and commit to the strategy, will be driven by the personal motivations of all involved.

How closely the vision and objectives can be linked to something that is truly important to all stakeholders at a deeply personal level.

At a corporate level, a company may set objectives around market share, return on investment and growth targets that need to be achieved. This in turn can translate to profitability targets, sales objectives and customer satisfaction scores which those at the frontline need to achieve.

However the missing link is often:

- The degree to which those involved in the business “buy-in” to the vision
- Crucially, how well the organization has been able to link the objectives to something that is truly important to each individual in the business – at a deeply personal level.

Linking to these key drivers can fundamentally change how well a business strategy is executed – but the drivers will be unique to each individual & time needs to be taken to draw them out!

While this takes extra work it can be the difference in terms of delivering on a winning business strategy, realizing your business vision, or not!

#### **Summary**

Getting your business strategy right is one of the most important actions a business can take. It can save considerable time, money and resources. When linked to motivating factors that are important at a personal level for all key stakeholders, you have a powerful formula for success.

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