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### Strategy

# Three Quick Ways to Improve Your Strategy- Making

by Roger L. Martin

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The standard strategy processes at most companies share three common characteristics: 1) you wait until the annual strategy review to revisit your strategy; 2) you put together a SWOT analysis as input to the start of the strategy process; and 3) you start the strategy process with a long and



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arduous exercise to wordsmith a mission/vision statement or organizational aspiration.

These activities are, no doubt, reassuring and familiar. They are also almost completely useless. Let's take a look at each in turn:

### **The annual strategy cycle**

Last time I checked, competitors don't wait for your annual strategy cycle to attack, customers don't wait for your annual strategy cycle to shift their preferences, and new technology doesn't wait for your annual strategy cycle to leapfrog yours.

Strategy can't wait for bureaucratic, non-market timing. When you make your strategy choices, you need to specify what aspects of the competitive marketplace — consumer preferences, competitor behavior, your own capabilities — have to remain true for the strategy to be a good one. Then, you need to monitor those religiously.

If those facts about the marketplace don't change, then revisiting strategy is unnecessary and unhelpful. But as soon as any one of them ceases to hold true, the strategy needs to be revisited and revised. Waiting for a pre-ordained time to do that has only benefits your competitors.

### **The up-front SWOT analysis**

Perhaps the single most common way to kick off a strategy process is with a SWOT analysis. However, there is simply no such thing as a generic strength, weakness, opportunity, or threat.

A strength is a strength only in the context of a particular where-to-play and how-to-win (WTP/HTW) choice, as is the case for any weakness,

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opportunity and threat. So attempting to analyze these features in advance of a potential WTP/HTW choice is a fool's game. This is why SWOT analyses tend to be long, involved, and costly, but not compelling or valuable. Think of the last time you got a blinding insight on the business in question from an up-front SWOT analysis. I bet one doesn't come to mind quickly. The up-front SWOT exercise tends to be an inch deep and a mile wide.

The time to do analyses of the sort that typically turn up in SWOT analyses is after you have reverse-engineered a WTP/HTW possibility. That will enable you to direct the analyses with precision at the real barriers to making a strategy choice — the exploration will then be a mile deep and an inch wide.

### **Writing a vision or mission statement**

Typically right after the SWOT exercise, the strategy team turns its attention to producing a vision or mission statement. This often devolves into a long and arduous process during which the team members argue sincerely about specific word choices in order to produce the “perfect” statement.

Unfortunately, you can't nail down your vision/mission statement (or what I refer to as your Winning Aspiration) without having made your where-to-play/how-to-win (WTP/HTW) choice. Spending time wordsmithing a vision/mission statement before making a WTP/HTW choice is a colossal waste of time.

That doesn't mean an aspiration is unhelpful. So, take a quick first pass at a statement before diving into WTP/HTW. But don't spend more than an hour on it — and then keep revisiting it during and after the making of the WTP/HTW, capabilities, and management systems choices.

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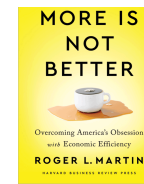
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If your strategy process is anchored in these three activities, you can expect to see a big improvement if you simply put the cart back behind the horse and lead with some decisions about where to play and how to win.

Strategy making is not about unearthing and implementing a causal chain from the first principles of market conditions and existing capabilities towards the one right market position. It's about making choices and taking gambles to get where you want to be. Make your strategy process reflect that fact.



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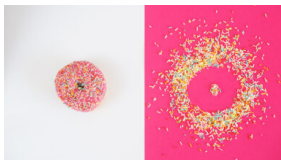


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