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Your Strategy Needs a Story

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Summary. Business strategy is usually born of a highly rational process, grounded in facts and analysis. Storytelling, often associated with fiction and entertainment, may seem like the antithesis of strategy. But the two are not incompatible. A clever strategy on paper is... [more](#)

Last year, poachers killed 35,000 elephants for their tusks. We're facing an all-out crisis. But we have a simple threefold strategy to save elephants: Stop the killing. Stop the trafficking. Stop the demand.

Posted on the website for "96 Elephants" in 2016, the above strategy, orchestrated by the Wildlife Conservation Society (WCS), became one of the most successful conservation efforts ever*. The WCS helped convene a coalition of hundreds of zoos, companies, environmental organizations, and individual donors, who succeeded in banning the ivory trade in U.S. and China, passing anti-wildlife trafficking legislation in the U.S., and substantially reducing elephant poaching.



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“It’s inconceivable that we could successfully execute our strategy to protect wildlife and wild places worldwide without creating and using powerful stories,” says John Calvelli, executive vice president of public affairs at WCS.

The above five sentences from the WCS are a good example of what we call a strategy story. Business strategy is usually born of a highly rational process, grounded in facts and analysis. Storytelling, often associated with fiction and entertainment, may seem like the antithesis of strategy. But the two are not incompatible. “Our work is grounded in science, but the scientific facts and arguments alone are never enough to persuade anyone to act,” says Calvelli.

What Is Strategy for, After All?

A business strategy is merely a tool for realizing competitive advantage. It requires a thorough understanding of the company’s starting position, its aspirations and capabilities, those of its competitors, the needs of its customers, and the dynamics of the situation.

But a clever strategy on paper is only the starting point for engaging those who will implement it. Strategies must also be communicated and understood — and they must motivate action.

Most strategy documents and presentations fail miserably when it comes to this last point. A recent study found that only 28% of managers could even correctly name three of their firm’s strategic priorities, let alone know how to act upon them.

Strategy stories can provide a powerful bridge between arguments and actions, intentions and results, and strategists and implementers.

The Power of Story

Story can be defined as a narrative that is designed to engage. In other words, a story is not just about what is communicated, but also how it impacts its audience.

After all, humans understand the world through the stories we tell. Our brains are primed to understand narratives involving dramatic challenges and heroes who are transformed in the process of conquering these challenges to reach their goals. Stories have evolutionary value though their ability to transmit information without depending on direct experience.

Behavioral economics has demonstrated that people are not fully rational actors, motivated by facts and logic alone. Stories can bind the logical ingredients of a strategy into an engaging narrative which can move their audience to act. Few would drive more carefully if presented with a dry list of road accident statistics. Many more would be motivated to do so by a vivid story about a particular family driving at night on an icy road.

Stories also have the merit of flexibility. In the process of being retold, they evolve to reflect new circumstances and learnings. This makes them well suited to the adaptive strategies required in today's world, where competition is based on speed of learning in a shifting context.

Some systems thinkers even claim that we can *only* understand complex situations through stories, or useful simplifications that provide a good enough description of the system and a framework for action, without being unwieldy, uninteresting, or unintelligible.

The business world well recognizes the power of story when it comes to marketing. Nike's "Just Do It" campaign, one of the most recognizable in

recent memory, crowned customers protagonists of their own story with only three words.

The power of stories can and must also be also be harnessed by business strategy.

Companies only achieve or renew their right to exist by bring something new to the world, as we describe in our book [*The Imagination Machine*](#). Strategy must be both grounded in the world as it is, but also create something new and valuable through imagination and action. As German bestselling thriller novelist and business strategist Veit Etzold told us, “Strategies *are* stories, started in the factual present and resolved in the as yet undetermined future.”

Building Your Strategy Story Collectively

Traditionally, strategy has been an elite activity, in the domain of corporate leaders and a few people in the strategy department. One recent [trend in strategy](#), however, is toward openness, as described in management professor Christian Stadler’s latest book, [*Open Strategy*](#). We now have the means to create strategy collaboratively, with tools like Zoom, Slack, and AirBoard. When the strategy process is open to employees close to customers or competitors, as well as those charged with implementation, the resulting strategy can be both more cogent and better understood and owned.

Strategy stories aren’t just about retroactively attaching a narrative to your strategy — they work best when developed together. To build a strategy story, you must:

1. Establish the factual context for your story.

To start constructing a strategy narrative, you'll want to gather information on seven key factual ingredients in which to ground your story:

- Your firm's activities
- Your firm's assets
- Your customers' behaviors
- Your customers' location
- Your revenues
- How revenue has changed over time
- What triggered those changes

The first two bullets describe the supply side of the business, the second two describe the demand side, and the final three cover the relationship between supply and demand over time.

2. Leverage the power of questions.

In any strategy process, there is a tension between structure, necessary to ensure rigor and alignment, and exploration, critical for innovation. Questions, deployed in a thoughtful order, can invite structured exploration, while maintaining overall coherence. They can also surface specific details that will make your story vivid and memorable.

Building on the classic 5W2H method (who, what, where, when, why, how, and how much), we recommend asking the following questions about both your company and your competitors. The questions in the left column will help you collect observations based on the factual context you've already gathered. The questions in the middle column will help you make sense of your story, and those on the right will help you envision the future. Your answers can then be combined to yield a purposeful strategy story that is ready to be acted upon, like a script.

Developing Your Strategy Story

Asking the following questions about your company — and your competitors — will ensure that your strategy-making process is structured (necessary for ensuring rigor and alignment) while also allowing for exploration, which is critical for innovation. The questions in the left column will help you collect observations based on the factual context you've already gathered. The questions in the middle column will help you make sense of your story, and those on the right will help you envision the future.

	Observe	Sense-making	Future vision
SUPPLY	Observe <ul style="list-style-type: none">• What activities do we perform?• What assets do we use?	Sense-making <ul style="list-style-type: none">• How are our activities and assets unique?• What could this uniqueness mean for future value creation?	Future vision <ul style="list-style-type: none">• How can we expect activities and assets to change?
DEMAND	Observe <ul style="list-style-type: none">• Who are our customers?• Where are they?	Sense-making <ul style="list-style-type: none">• How/where are our customers unique?• What could this uniqueness mean for future value creation?	Future vision <ul style="list-style-type: none">• How will customer behavior and/or locations likely change?
RELATIONSHIP BETWEEN SUPPLY AND DEMAND	Observe <ul style="list-style-type: none">• How did our revenues develop?• When did our revenues change? What changes in supply and demand caused this?• What triggered these changes in supply and demand?	Sense-making <ul style="list-style-type: none">• How were our revenue developments, changes in supply and demand, and the triggers of these changes unique?• What could this uniqueness mean for future value creation?	Future vision <ul style="list-style-type: none">• What could these changes mean for revenue potential?• When could they trigger changes in supply and demand? What are the changes?• How will the triggers of changes in supply and demand likely develop?

3. Write your strategy story.

A story should have a clear beginning, middle and end. The same goes for a strategy — it should outline the past, present, and future. The Wildlife Conservation Society’s strategy does exactly this:

- Past: Last year, poachers killed 35,000 elephants for their tusks.
- Present: We’re facing an all-out crisis.
- Future: We have a simple, threefold strategy to save the elephants:
Stop the killing. Stop the trafficking. Stop the demand.

Your answers to the observe, sense-making, and future vision questions will help you bind the past, present, and future into your strategy story. Ultimately, you’ll have a narrative that begins with what the company does, describes what needs to change, and ends with what the company will be doing in the future.

4. Test your story.

To test your strategy story, try it on internal audiences which will need to understand and implement it, and external partners and stakeholders who will need to endorse and adopt it. The Wildlife Conservation Society employs full-time communication professionals to take the strategy and work it into stakeholder-specific stories with vivid audiovisual content, which they test before rolling out.

Be on guard for common pitfalls by probing frankly: Is it digestible? Does it engage? Is it motivating? Is it clear what is to be done by whom?

5. Tell the story.

The last step is to prepare the story for telling, reducing it to an essential core, while retaining essential details and making a compelling case for action.

WCS rolled out its campaign very aggressively to its stakeholders and was effective in lobbying governments to legislate against the ivory trade, supported by a very visible public awareness and fundraising campaign.

Ask yourself if your company's strategy can be related to and understood in five minutes or less. Think about whether its focus can be reduced to a few central issues and jettison some of the comprehensiveness which characterizes many strategies. Test whether it has been not only been understood but retained and valued as a guide to action for each individual who will be charged with implementation. And tell and discuss the strategy story repeatedly, and not just once per year.

...

The best way to connect context and intent in strategy-making is through stories because it is through stories that we understand and care. Well-told stories make both the teller and the listener wiser. Through stories, mere facts and information are turned into a shared mental model of how the business works and where it is heading. Knowing how to construct such a strategy story as a shared, and evolvable mental model can not only improve implementation but also greatly increase a company's rate of learning, which can be a key source for competitive advantage in today's fast-paced world.

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**Editor's Note (2/15/23): This sentence has been updated to reflect the inclusion of environmental organizations in the coalition.*

strategy, Strategy and Strategy
execution



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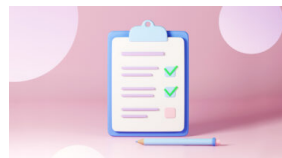
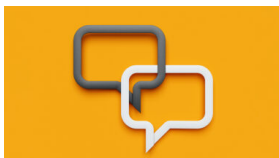


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