

Making Strategy

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Strategy is about focus: *priorities*

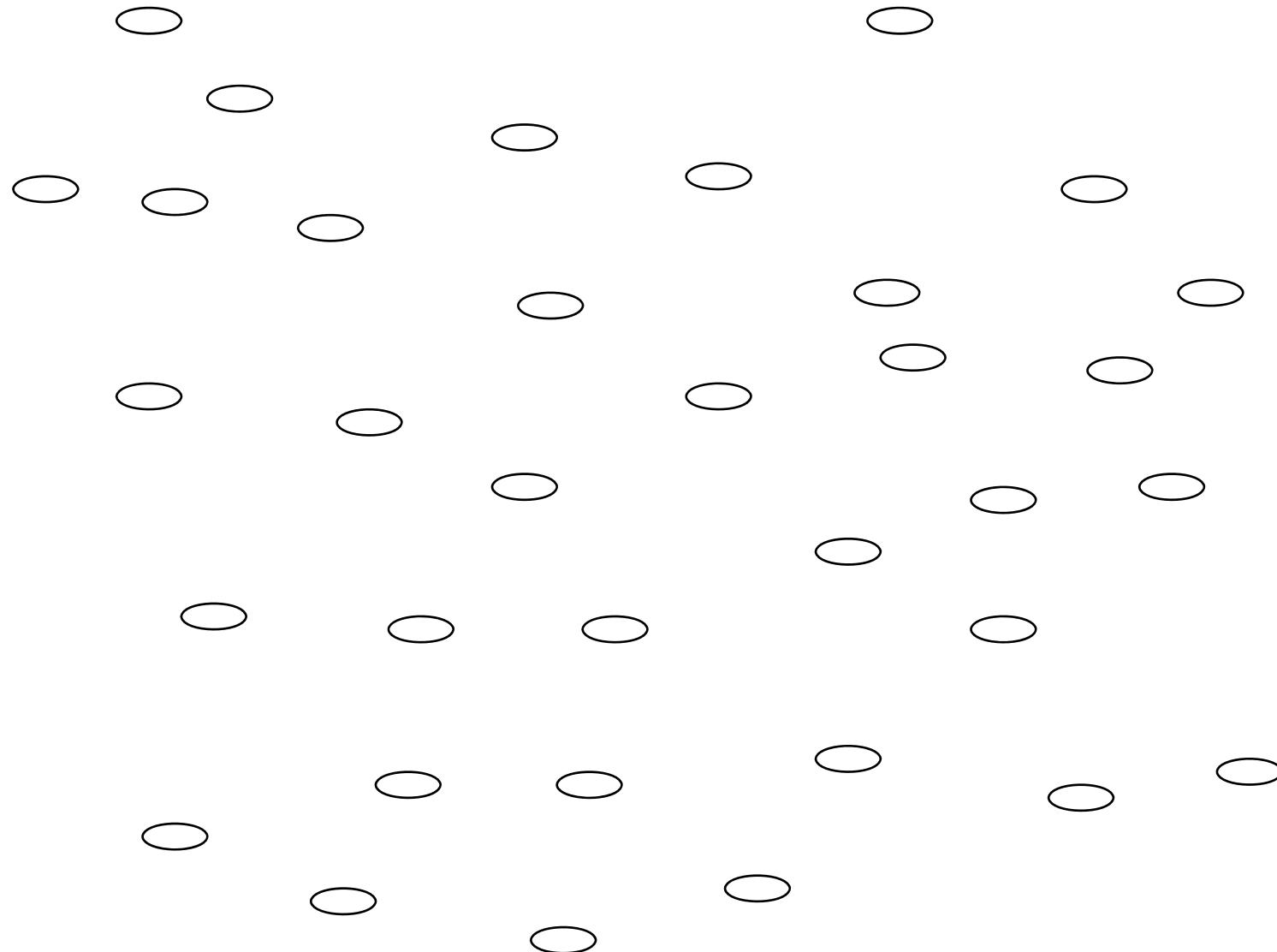
What did we do...?

- ❑ What strategic issues (opportunities) are we facing?
- ❑ How do they relate to each other (network of causality)?
- ❑ What are our priorities for addressing these?
- ❑ **STRATEGIC PRIORITIES =
STRATEGY VERSION 1**

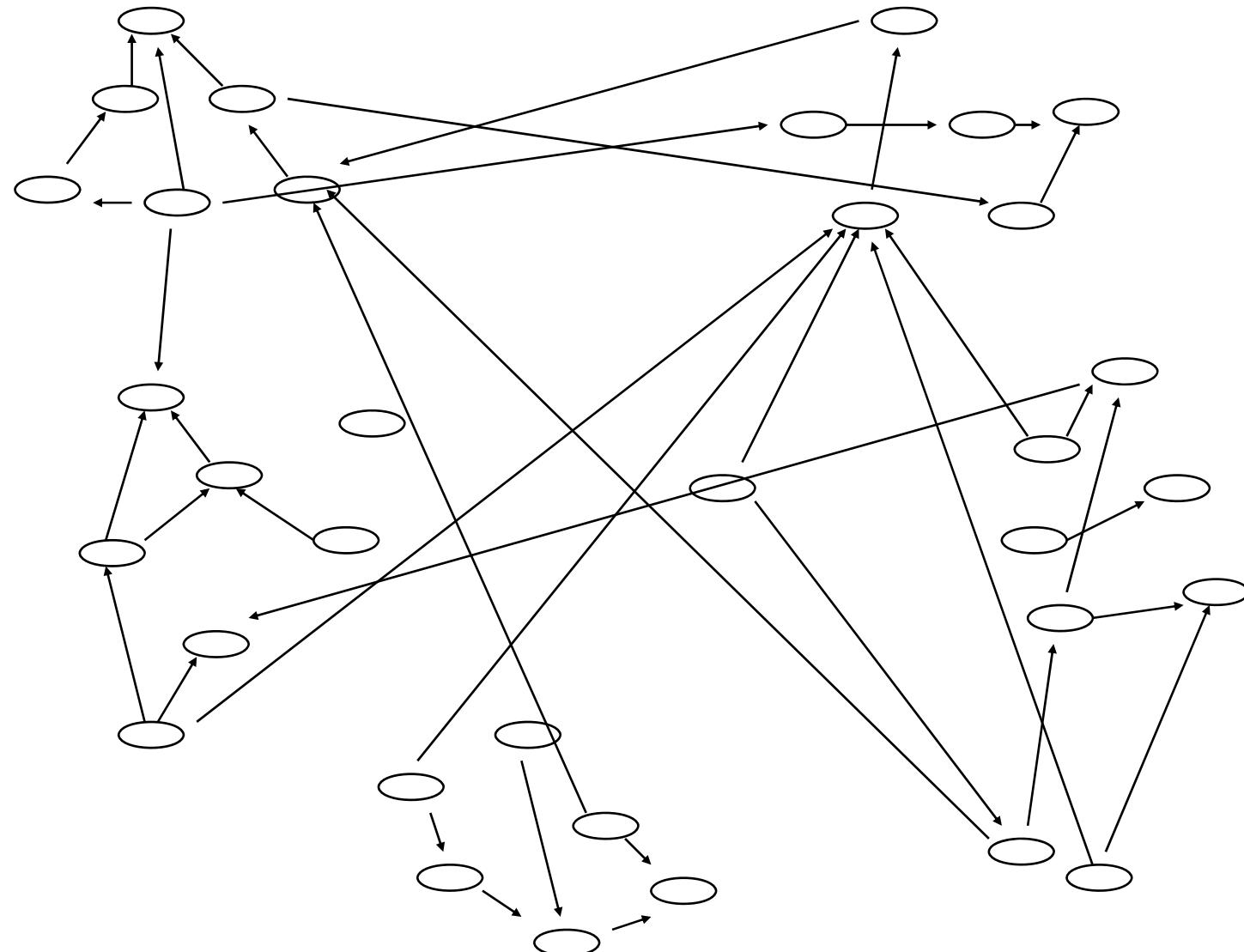
Basic Principles

Issue Management

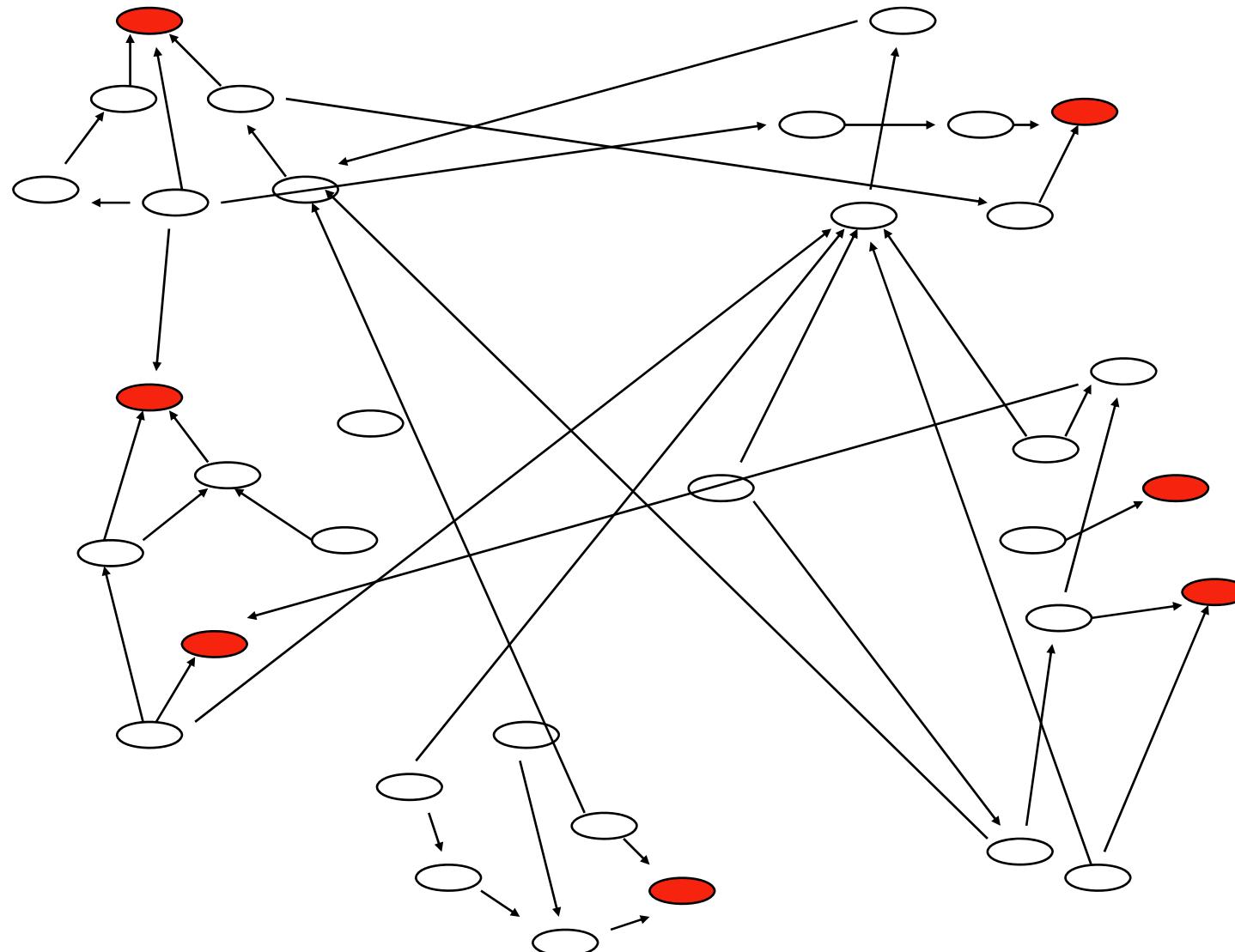
Issue gathering



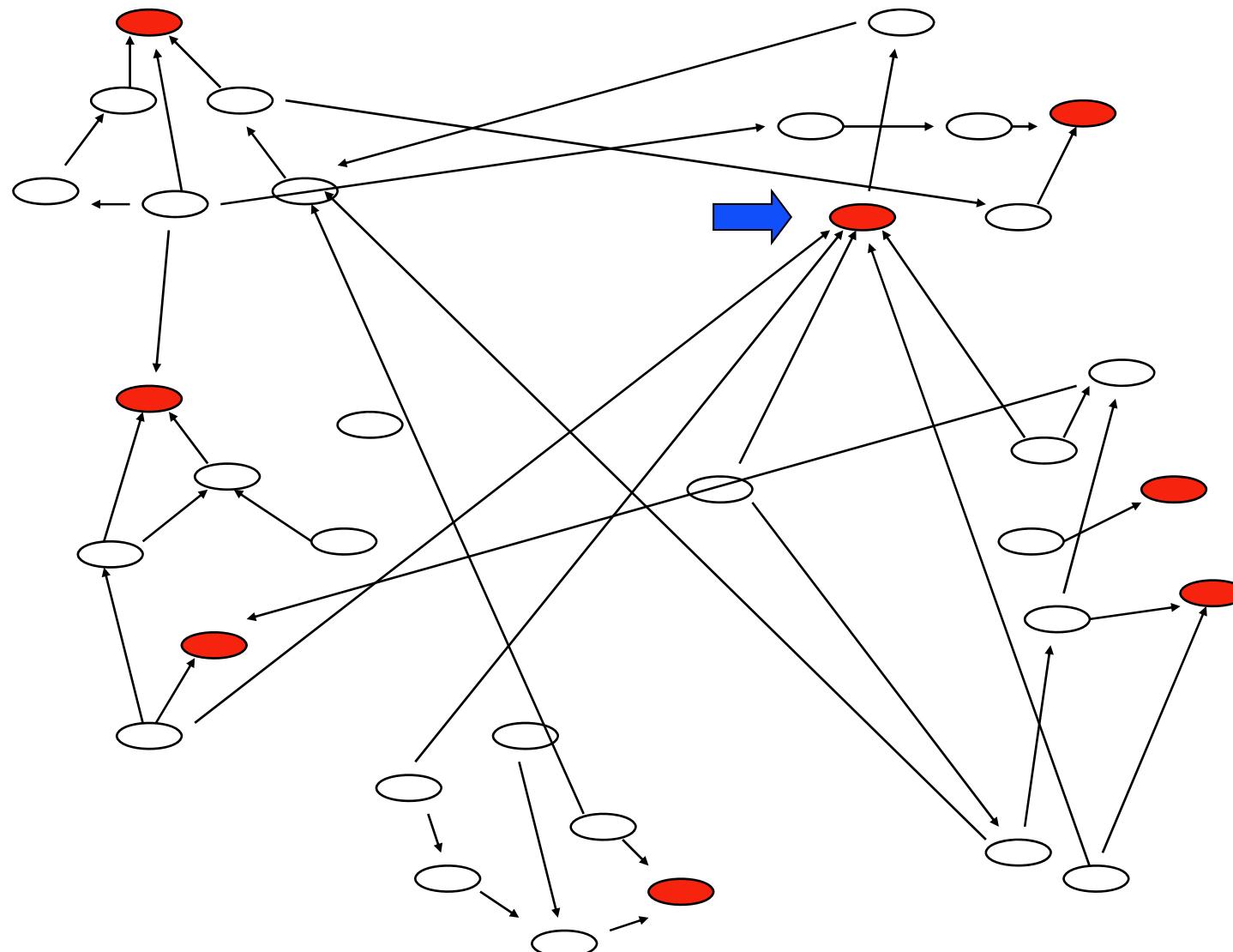
Issue linking



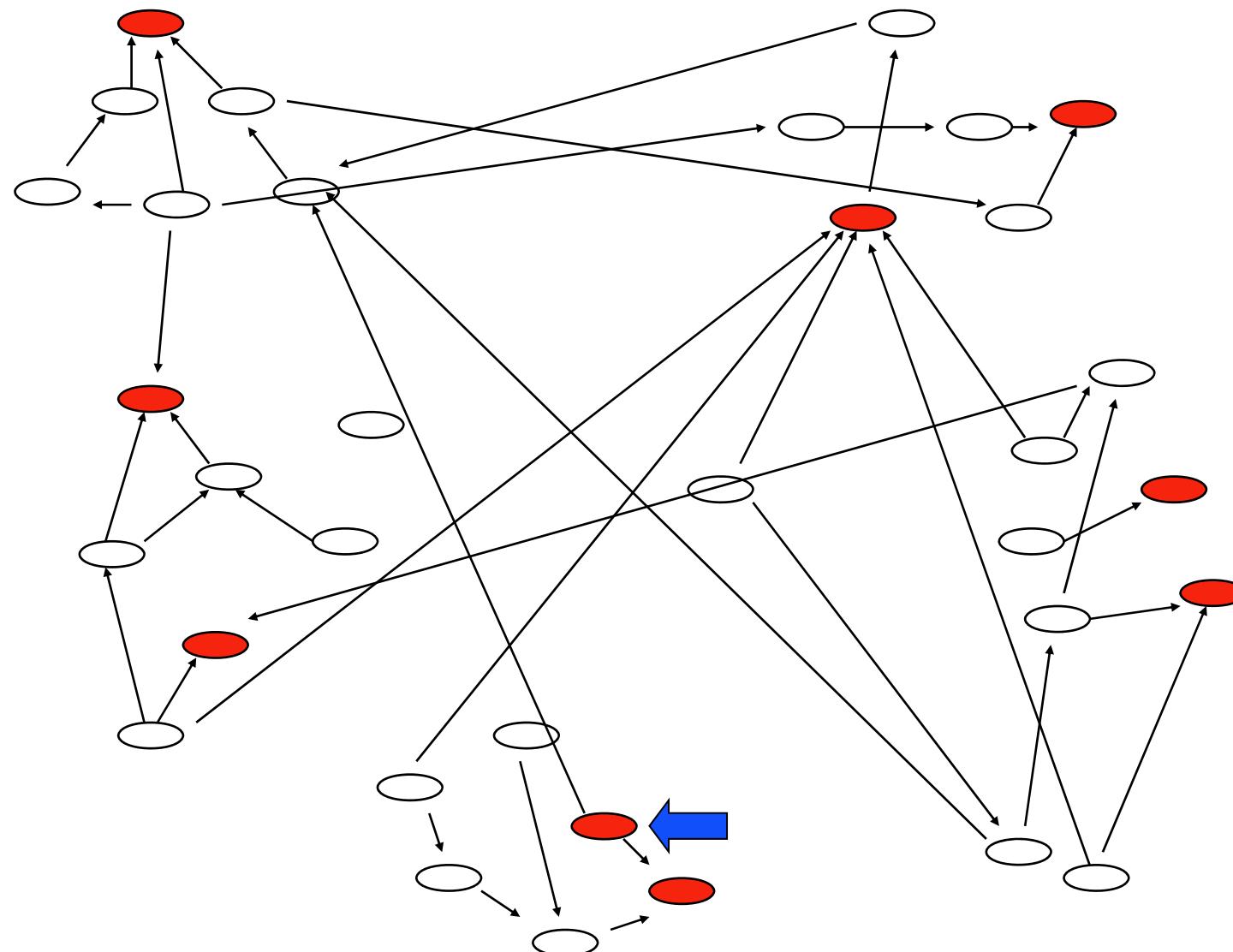
Rough analysis 'headlines' = strategic arenas/themes
But some may be draft goals



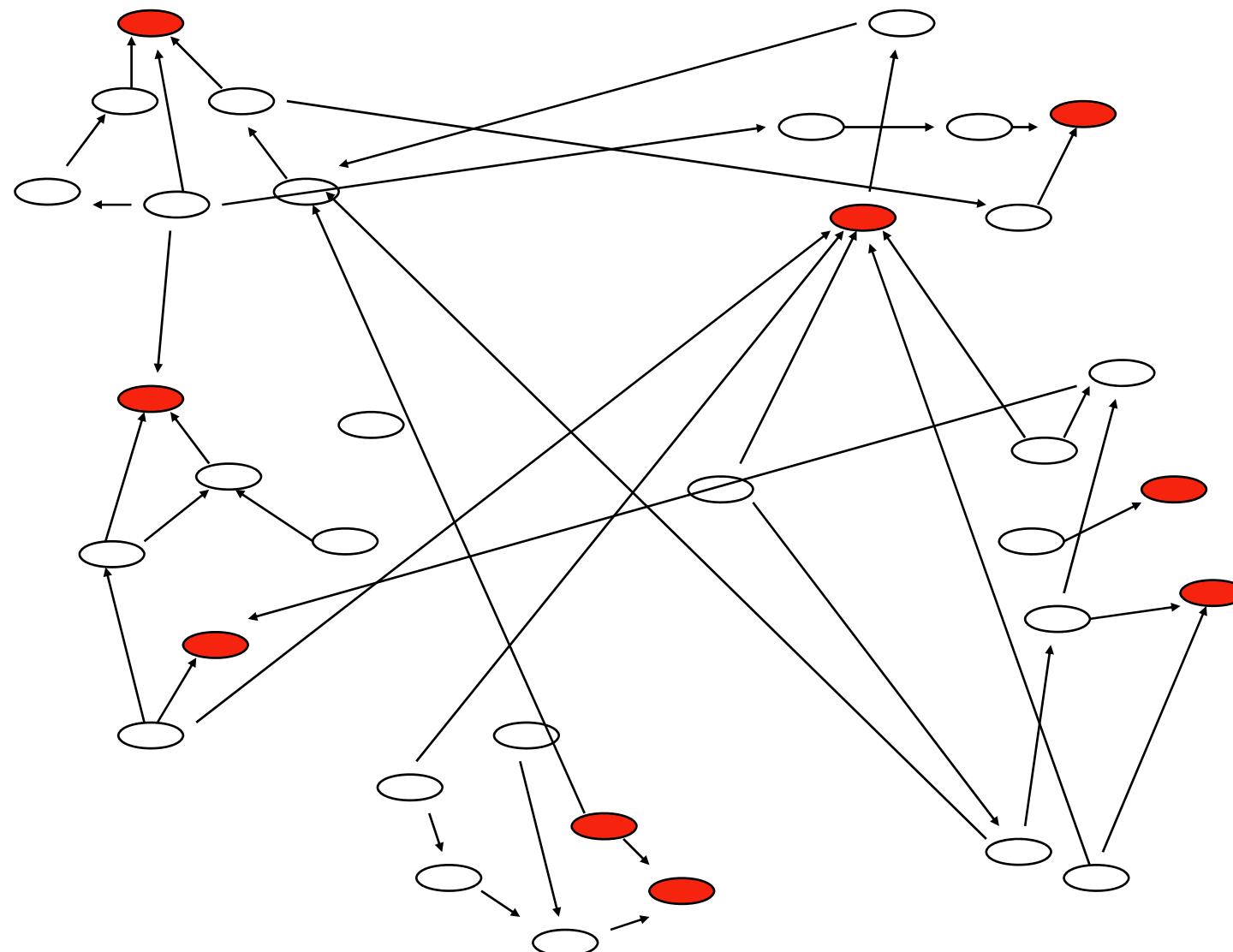
Rough analysis 'busy' = probably important?



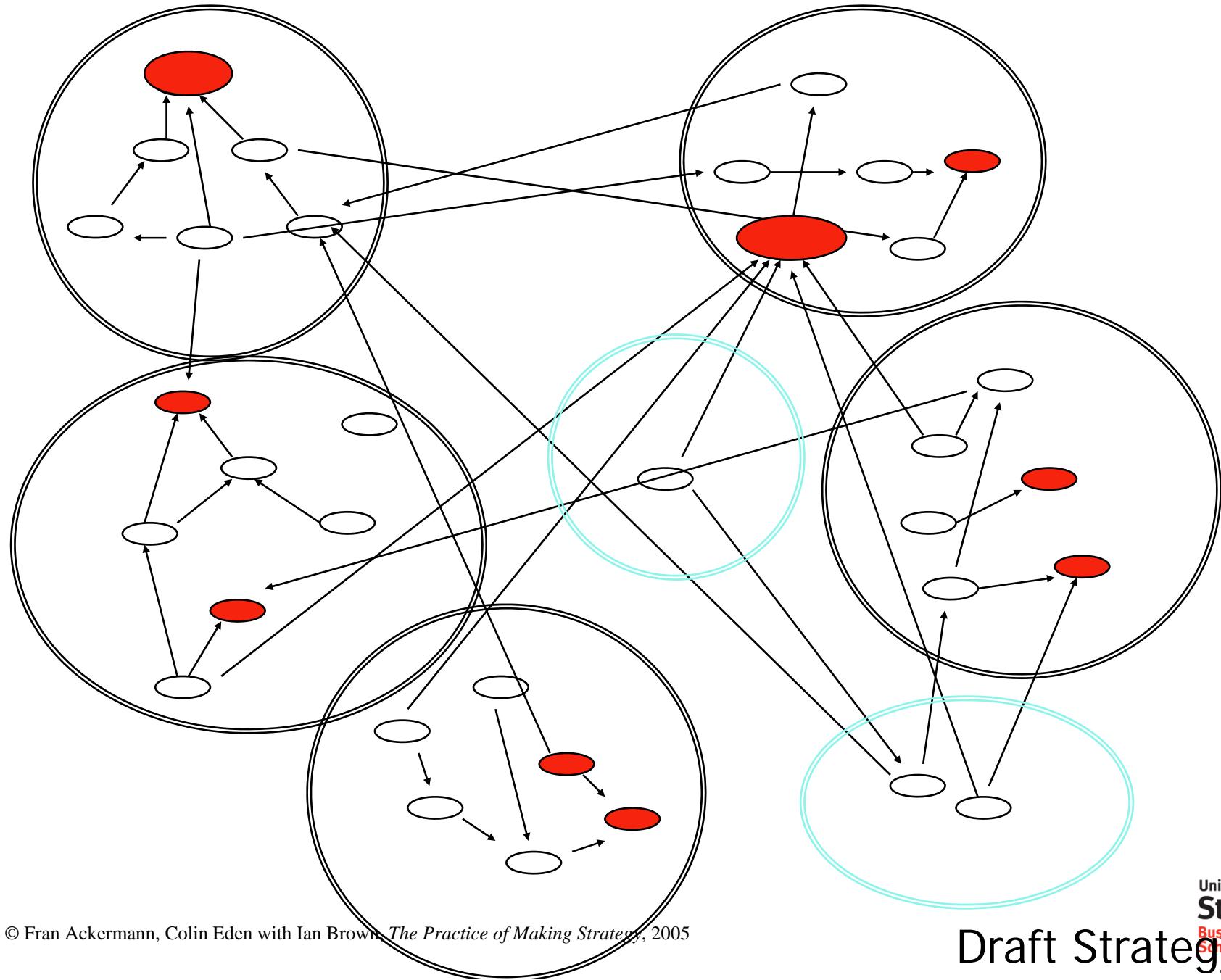
Rough analysis 'potent to headlines' = possible hit-points



Rough analysis 'candidate strategic priorities'



Rough analysis 'candidate priorities' – check against themes & prioritize



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What did we do...?

- ❑ What strategic issues (opportunities) are we facing?
- ❑ How do they relate to each other (network of causality)?
- ❑ What are our priorities for addressing these?
- ❑ If these are important to us, why?
- ❑ Understand emergent goals
- ❑ Are they appropriate (are they just projecting past to future)? What new goals do we need? What old goals must be downplayed?
- ❑ **ORGANIZATIONAL PURPOSE & STRATEGIC PRIORITIES = STRATEGY
VERSION 2**

What did we do...?

Discover emergent goals, reflect on them, compare with published goals, build goals system as a network & reprioritize

What did we do...?

Seek out competitive advantage

- ❑ What strategic issues (opportunities) are we facing?
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- ❑ What are our priorities for addressing these?
- ❑ If these are important to us, why?
- ❑ Understand emergent goals
- ❑ Are they appropriate (are they just projecting past to future)? What new goals do we need? What old goals must be downplayed?
- ❑ What are we distinctively good at doing?
- ❑ What patterns of (distinctive) competences are distinctive?
- ❑ Are there any self-sustaining distinctive competences?
- ❑ If we consider new competences we might attain, do they introduce new distinctive competences from the unique patterns created?
- ❑ **POTENTIAL COMPETITIVE ADVANTAGE =
STRATEGY VERSION 3**

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- ❑ If these are important to us, why?
- ❑ Understand emergent goals
- ❑ Are they appropriate (are they just projecting past to future)? What new goals do we need? What old goals must be downplayed?
- ❑ What are we exceptionally/distinctively good at?
- ❑ What patterns of (distinctive) competences are distinctive?
- ❑ Are there any self-sustaining distinctive competences?
- ❑ If we consider new competences we might attain, does they introduce new distinctive competences from the unique patterns created?
- ❑ How can we exploit this distinctiveness to attain our goals?
- ❑ How do we need to modify our goals (the business we are in) to effectively exploit our distinctiveness and deliver customer value?
- ❑ What are the distinctive competences that are CORE (or central) to attaining our goals?
- ❑ **COMPETITIVE ADVANTAGE DELIVERED = OUR BUSINESS MODEL = STRATEGY VERSION 4**

What did we do...?

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- ❑ How do we need to modify our goals (the business we are in) to effectively exploit our distinctiveness and deliver customer value?
- ❑ What are the distinctive competences that are CORE (or central) to this attains our goals?
- ❑ Are we now satisfied that our business purpose (business goals system) is the best it can be – is it distinctive?
- ❑ Are our strategic priorities still appropriate? What should they now be?
- ❑ **FINAL STRATEGY: PURPOSE; COMPETITIVE ADVANTAGE; STRATEGIC PRIORITIES (including sustaining competitive advantage)**

KEY MESSAGE 1: Issues and Goals

- ❑ Are not those that are espoused, but rather those that reflect action and intent
- ❑ Issues are issues because they attack, or support, something that is important (goals)
- ❑ Thus, issues tell us something about 'real goals'
- ❑ They tell us about emergent strategizing
- ❑ Goals should be an expression of the *distinctive* way the organisation intends to deliver shareholder value/profit/customer value

KEY MESSAGE 2: Core competencies

- ❑ Competencies are core because they are at the core of future sustained success
- ❑ Core DISTINCTIVE Competences provide the basis of competitive advantage
- ❑ Distinctiveness usually arises from patterns of competencies (particularly self-sustaining loops)
- ❑ Thus, consider the networks of competencies
- ❑ Competencies often derive from distinctive assets
- ❑ Competencies must manageable for them to be useful in delivering strategy

KEY MESSAGE 3: The Business Model

- Expresses how the particular way in which the organisation will deliver shareholder value through exploitation of *distinctive* competencies
- The BM should be realistic
 - Thus,
 - Each goal should, ideally, be supported by a distinctive competence and
 - Each distinctive competence should be exploited to support a goal
 - Goals should be modified to be more or less aspirational and new *patterns* of competencies explored to create distinctiveness



“The nicest thing about not planning is that failure comes as a complete surprise, and is not preceded by a period of worry and depression”

John Preston, Bolton College
from the Observer, 22 Jan 1995