



By Stephen Brown
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Defining Strategy

What does success look like... this article provides a roadmap for defining an actionable strategy for your organization. I provide this based on my personal experience and what I find helps. However, don't get lost in the details nor get stuck on one step in this process. Approach this as an iterative process that each step will inform the next step and may impact this previous step. I'm giving you this roadmap to help keep you from stopping and getting stuck in one step of this journey.

Spoiler alert, the first time you do this it will take lots of time, but after that, it's more strategy validation and tuning the strategy on an annual basis. Think of this as a paint-by-numbers exercise with each pass making the picture more defined with increase fidelity.

Start by asking a very simple, but a wide-open question. **Who do we want to be as a company?** Based on the culture of your organization, you might not be able to ask this question openly, as it will likely be met with "we are who we are" or "don't you know", etc. Just remember, unless someone before you has already put this down on paper and the organization doesn't use it annually, then it's safe to say that your "organization" as a collective doesn't know. I highly recommend that you start with a senior executive that wants to sponsor you on this journey and they are willing to stand up for you along the way. Trust me, you will need a thick skin as you will face resistance. Remain objective, priority one is the success of the company, its shareholders, its leadership, employees, and customers.

Who do we want to be as a company?

Define an Operating Strategy. An Operating Strategy includes a vision, mission, values, market differentiators, strategic focus areas, critical success factors, and major objectives. I personally really like the [Strategy Mapping](#) approach defined in this article.

It says that all companies have one goal, to create long-term shareholder value and that this is accomplished in one or more of a very finite set of methods.

Define success metrics. Many years ago, I met Mr. Hunt from J.B. Hunt trucking, he told me that he got every metric he needed to know about the performance of his company on a 3x5 index card with five metrics. Each metric told him which leader with his company he needs to have follow-on conversations with that number was as expected. I think that each function with your organization should have its own five metrics but those metrics roll up to the primary five metrics that drive the organization. What metrics make up your five metrics will vary based on your business and what's important for success. But choose wisely as what gets measured gets attention. More on this subject to come in future articles.



Customer Segmentation. I'm a firm believer that if you don't know your customer and what your customer what's and needs is not front and center within your strategy, the business will struggle. Segmentation analysis is a deep subject and there are lots of information out on the web and consulting firms that are more than willing to help. In short, I find segmenting customers based on demographics is not very helpful. Instead considering segmenting customers based on psychographics is much more interesting and actionable for your strategy definition.

Segment Value Proposition both to and from. Define what value we provided to each customer segment and what value that segment brings to your organization by way of tangible and non-tangible assets (ie market insight, etc.)

Define your Customer Life-Cycle Interaction Strategy. What does a customer see? Define who touches a customer, for what purpose, in what way, at what cost, when, and how often.

Use the Customer Life-Cycle Interaction Strategy to define how you will operate. What information frameworks do you need? What business processes are involved? What Operational systems are required? How is it best to organize your organization for success? Strategy Mapping provides some good frameworks and samples of how to document these aspects.

How will we get there from here? Next compare your current state to the future state organization, information framework, operational systems, and business process to define a transition roadmap. The Transition roadmap is a list of what needs to change. Next, you will use this list of what needs to change to define your program management and people change management plans in terms of an implementation roadmap. Organizations can't do everything at once as it's too disruptive. The roadmap sequences the changes to most effectively and efficiently implement the changes. More to come on managing strategy execution.

