

Title:

Strategy As Invention

Word Count:

1375

Summary:

Rather than view strategy as a selection of options, here is another approach: creation or invention.

Strategic planning is not strategy

Strategic Planning, often synonymous with Annual Planning, details how you are going to get where you have decided to go. It is a description of how you will achieve your goals -- those milestones you established in structuring your business plan. Strategic Planning is operational in nature, it examines the particular actions you inte...

Keywords:

Results,Income,Business Coaching,Breakthroughs,Critical
Success,performance,Business Development

Article Body:

Rather than view strategy as a selection of options, here is another approach: creation or invention.

Strategic planning is not strategy

Strategic Planning, often synonymous with Annual Planning, details how you are going to get where you have decided to go. It is a description of how you will achieve your goals -- those milestones you established in structuring your business plan. Strategic Planning is operational in nature, it examines the particular actions you intend to take over the coming period. Strategic Planning can be critical -- and after you have a Strategy, it is often a good idea to develop a Strategic Plan.

But Strategic Planning is not Strategy. Strategy is the "what" you and your organization are going to be, and the broad approach to how you are going to do that. For instance, your company will become the number one vendor of internet-hosted medical records applications, achieved through freeware distribution to HMOs and clinics, paid for with a back-end, per-patient royalty. Strategic

Planning looks at the details of how you will get there -- which associations you will joint-venture with, how many sales people you will add this year, what type of advertising you will use, whether to pay for page-views or click-throughs, etc. The strategic plan will itemize the specific actions you will take in a given time frame, and the specific results those actions will produce.

But imagine filling your new car with gas, turning the ignition key, putting the car in gear, getting on the freeway, and putting the pedal-to-the-metal. Full speed ahead. Imagine that for a moment. Wait a minute -- where are you going? Many organizations jump headlong into the strategic planning process, without becoming clear about where they are going. Sure they have a direction - North, perhaps; into the Internet Applications space, perhaps. If you execute the plan, your company will surely wind up somewhere. But is it where you wanted to go? Strategy defines the destination, and whether you will take a scenic way or a fast way, and if you want rest stops. Strategic planning identifies the specific highways and the specific streets.

Have you bothered to think about where you want to go recently? Most entrepreneurs, most companies, started with an idea of what they were trying to create. But that may have been a long time ago. Perhaps it's time to consider this question again.

Strategy is not a set of options

Imagine you are in your car again. This time, it's Sunday, and you and the family are going for a drive. Where are you headed? "We'll let's see", you say to yourself, "How much gas do we have, and which roads have the least traffic?" Many companies think strategy is about evaluating a set of options, often in terms of available resources, or a competitive response. They say things like -- "We have only 12 development resources available to us, which means we can bring two key program feature sets to market, and XYZ Co. has just announced compatibility with our databases. What are we going to do?"

Strategy is not incrementalism or inertia

Or they consider strategy in terms of increments. Last year you increased profits by 20%; does that mean this year you should shoot for increasing profits by 20%. Or 25%? Or, since you added three new modules last year, and reduced customer response time by 33%, should you plan to do the same, or something a bit better, this year?

These would be worthy goals, and this approach is valid. But accomplishing these kinds of targets will not fundamentally alter your company's relationship to the

marketplace. Nothing will really be changed -- not you, not your people, not your company -- and not the world.

It's been said that insanity is doing the same thing over and over again, and expecting different results. When you do the same things, only better, only harder, only more, only smarter, what you'll get is more of what you've already got. That's fine, as long as you've determined that more of what you've got is appropriate for this stage of your company's life cycle.

Strategy is an invention

Strategy is something you make up. Your strategy is a statement of what you will do as a company to realize your corporate vision: what specifically will you accomplish, what meaning will your company have, and how will you create value and profits. Don't ignore your past results. Just don't allow your strategy to be constrained by them. Don't ignore the marketplace. Just don't fall into the trap of letting your competitors' actions define what yours will be. And certainly don't ignore your customers -- just don't think that your customers' wants and desires are the only measure of what you should seek to accomplish. These references -- past results, markets, competitors, customers - must be taken into account.

And then, what it boils down to is this: your strategy is the direction your company will take, because you said so.

An invented strategy inspires you. Because it fulfills your vision for your company, and because you see how the realization of your strategy makes an important difference in the world, it inspires your team, your customers, your prospects. An invented strategy energizes all your constituents, where incrementalism just seems like more work. An invented strategy can propel your enterprise to greatness. An invented strategy can call forth achievements beyond what you currently consider possible. Breakthroughs and blockbusters are never founded on incremental improvement. Like Athena, they spring from the heads of their inventors. And invented strategies can change your company's relationship to the marketplace and to the world.

Inventing strategy

The route to creating strategy is simple -- asking the right questions.

What direction can the company take *now* to realize your vision? What value proposition will you offer customers? What meaningful difference will you make in your marketplace? What meaningful difference will you make in your world? How

do you want to affect the lives of your people, your customers, your clients? Your family? Answer these questions and you are on road to inventing your strategy.

Are you building something totally new, or are you improving an existing idea? What are the dimensions of the impact you want to have? Will it be faster? Better? Cheaper? Easier? Safer? More luxurious? More convenient? More portable? More entertaining? More universal?

Next, from a high-level perspective, how will you marshal your resources and time your maneuvers to offer that value and make that difference? For instance, Microsoft's desktop applications strategy is to let other companies originate product categories, wait to see which ones catch on, then bring out a lower cost Microsoft alternative, and market the heck out of it. This strategy defines a what, not a how. It doesn't describe which products, how to develop them, or when they will be rolled-out.

There are no rules in strategy

Strategy is not evolutionary; it is revolutionary. Don't assume the old rules apply or let them guide your thinking. Breaking rules may actually be a way to conceive of strategy. Ask yourself, "What rules can we break?" Consider which obsolete beliefs restrain growth in your company or in your market. Make up your own assumptions. Test them -- first in your mind. Einstein conceived of the Theory of Relativity using what he called a gedanken experiment -- an experiment in the mind.

Don't worry about implementation...yet

While you are considering Strategy, don't worry about whether you have the wherewithal to implement what you are thinking about. If you do worry in this way, you are likely to compromise from the get-go. There will be plenty of room for compromise later, if you must. Ignore the resource constraints which dog you throughout the year. You will deal with these when the time comes. Author Gary Hamil suggests that one definition of strategy include the "...quest to overcome resource constraints through a creative and unending pursuit of better resource leverage."

I have my strategy. Now what?

Okay. At some point soon, you must consider implementation. Once you have formulated a strategy you believe will make a difference and lead to greater returns, you have to figure out how to make it happen given all the constraints

you operate under. That is where the Strategic and Tactical Planning comes in.
That's the next article.