



The Changing Role of Strategy

An Interisle Consulting Group Whitepaper

Until the early 1990s, it was not uncommon for organizations to think and plan in terms of a five-, seven-, or even ten-year strategy. In some industries an even longer time horizon (measured in decades) was considered appropriate. During the 1990s, those same organizations started to reduce their time horizons for strategic planning activities. With the advent of dot-com thinking, a strategy and plan that covered only one year might have been considered too long a time frame. So in the fast-paced business world of today, what use is strategy now?

We think that strategy is not about *how to define a single, unchanging vision for the future*, but rather is a way of *thinking about how to deal with the future*—it is more about a process to guide decision-making than about a specific document to which people can (though they often don't) refer.

In “the good old days;” when business life proceeded at a much more sedate pace (or so it seems that it did, when we look back on it), an organization defined its vision and strategy and created the corresponding plan to achieve that vision. Once these had been approved and funded, the organization proceeded down the implementation path to achieve the vision. Occasionally, something might happen external to the organization or even inside the organization that would require a minor tweak to the plan or, less often, to the strategy. But there was always a reasonable amount of time in which to react to these occurrences, and certainly few enough of them that the management team had time to consider each.

Today, reacting to external events requires more and more attention from the management team. With more frequent disruptive changes in different industries (the Internet, widespread high-speed network access), the need to address a completely different set of unanticipated problems (the terrorist attacks of 9/11, the explosion of viruses and spam, and the recent growth in phishing attacks), and the ever-present changes in the competitive landscape, modifying the strategy and amending the plan becomes a primary focus of management. Remember the old adage: when you're up to your elbows in alligators, it's difficult to remember that the original objective was to drain the swamp!

How does a management team typically think about the *process* of strategy under such trying circumstances?

- There's the "head in the sand" approach—in which the organization continues to work to the original plan, which usually produces an outcome that those inside the organization think is successful (after all, they implemented the plan as it was written!) and those outside the organization think is completely unsuccessful (but they implemented something that is no use to us!).
- There's the "wait until it's obvious and re-plan" reactive approach—in which the organization, finally noticing something that will impact their strategy, decides to stop all work, put every effort into re-planning, and then restart along the path to implement against the new plan.

Instead, we recommend that a management team hone its skills around the *process* of strategy, by learning to recognize the "signs on the road" and learning "how to drive" to achieve a result that is a success for both the organization and its customers.

As we've done successfully with many organizations in many different industries, we work with the management team to look at, and "try on," quite different alternative futures. We consider each in detail, understanding the signposts (which represent internal and external events) and their impact on the different futures. Management teams practice seeing how different events can lead to, or preclude, different futures, and thus become more adept at applying these principles to the decisions that have a significant impact on their real business.

A management team that has practiced seeing the impact of one or more events on a potential future (as an exercise or drill) is much better positioned to consider the impact of a real world event (*e.g.*, of a competitor announcing a new product), or understand what they need to do to cause an event to happen in a way that suits their desired vision.

Can a management team accomplish this on their own? It is hard to imagine that a team not practiced in the process of strategy could bootstrap themselves—while not impossible, it requires learning a new and different set of skills. With the day-to-day pressures of running the business, who has the time to try out new ideas and ways of thinking? However, skilled facilitators can conduct such an exercise with a management team. This provides a new way to practice the skills of strategy and to see the role that strategy needs to play in their organization—one more suited to the needs of today's business.

Strategy is no longer about "the document" or "that vision thing"—it's about how the organization approaches its decision-making day to day. Organizations can do better—and with practice, they can do much better.

Interisle Consulting Group recommends:

- **Develop multiple scenarios** to avoid being blindsided by sudden change. Simply knowing that a strategy is wrong before everyone else does can be a huge advantage. In thinking about divergent alternatives, an organization can also begin to develop business models, technologies, and strategies to capitalize on emerging opportunities that others may not recognize as quickly.
- **Stay aware** of what has to happen for your business to succeed and what is happening around you that will impact your ability to succeed. Be familiar with the events that will have the most impact on your current chosen direction—be ready to understand the consequences of disruptive changes, or events that are not turning out the way you expected.
- **Drive to decisions** rather than engaging in endless academic debate. Success in business today is much like running a whitewater river. New challenges come up quickly, and must be dealt with quickly. Failure to make a decision can lead to disaster—but so can making a wrong one. Pre-thinking and rehearsing potential challenges (as well as opportunities) can ensure a more rapid, effective response when things begin to change suddenly.
- **Practice strategy regularly** so that your management team becomes more practiced at the *process* of strategy and its impact on your day-to-day operations. Become better prepared to deal with any eventuality that arises, whether the result of something outside your control or as you learn more about what you can influence.

To learn more about how Interisle Consulting Group can work with your organization to make effective use of strategy in your business environment, contact us at Interisle@Interisle.net, or visit us at www.interisle.net.