

Tony Manning's 10 principles of strategy

Strategy and leadership go hand in hand. A business without leadership is a business without strategy. Tony Manning, one of South Africa's top thinkers on business strategy, has distilled 10 vital principles that should underpin the strategy of every business. Wessel Ebersohn, editor of SUCCEED, explored the 10 principles with Manning.

1. If you don't make a difference, you don't matter.

"In this cluttered, fast-moving world, when change and innovation are on everyone's lips, it's increasingly hard to stand out from the crowd," writes Tony Manning in *Making Sense of Strategy*, "and harder still to stay apart and ahead."

He lists three basic principles of business competition:

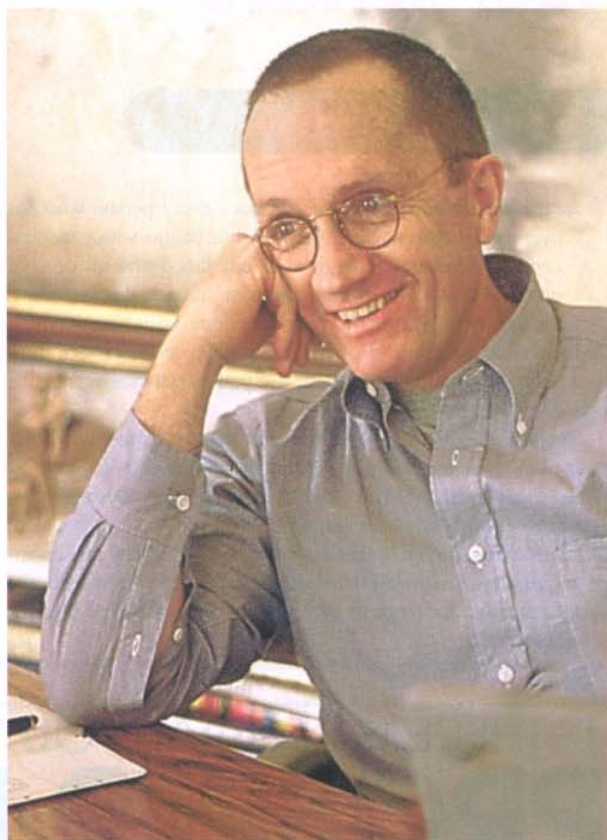
- i) focusing your resources where you'll get the most from them,
- ii) continually driving up your customer's perception of value,
- iii) and simultaneously driving down the cost of doing it.

2. You can't make a difference to everyone.

Ultimately you have to decide who your customers are and show your determination to make a difference to them. No business can find customers everywhere. "You must be clear on who your customers are and what matters to them," says Manning. "If you try to be all things to all people your cost goes up and your value goes down. A clear focus is the starting point for successful strategy."

3. Strategy must enable your organization to make a difference that matters to a critical mass of the 'right' customers.

While you cannot find customers on every level and in every community, you must have a critical mass of customers in your chosen market. Many successful businesses believe that if you cannot be either first or second in your market you should not be in it at all.



"Your priority should be to change not what people think, but what they do"

– Tony Manning

4. Strategy connects the purpose and values of your organization with those of its customers and other external stakeholders.

For a business to realise its full potential its leadership must have a real affinity with its customers. Manning gives as an example the real link between the values held by Raymond Ackerman, founder and chairman of Pick 'n Pay, and those he inculcates in his business. He sees the same in the founders of Imperial Car Hire, "an awesome sense of customer service, that they talk about constantly." Anita Roddick of the Body Shop also falls into this category. "Others learn the words," Manning says, "but if they don't have the same values. The connection with their customers is not real. It's that kind of deep, real connection that makes the difference."

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“It is for this reason that most SWOT analysis is useless. It cannot show the owner’s love for the business, the passion that permeates it. You can copy what you see, but you can’t copy something inside another person.”

Like the Body Shop, Empangeni-based Bell Equipment falls into the category of businesses that should not have succeeded. “They started from nothing in Empangeni,” says Manning. “They should not have succeeded nationally, but they have succeeded internationally. This is something that you can only understand, if you understand the Bell family and their values. Without their values and their determination they could not have succeeded.”

5. A vital goal of a strategy is to create and sustain a unique community.

Having a unique community in your business makes it possible to create distant branches, both at home and overseas. “You cannot simply install machinery or buy the right herbs and spices,” says Manning. “You need the soft stuff: attitude, values, principles to expand your business – these grow in the unique community within your enterprise.”

6. Purpose and values provide the context in which individuals volunteer their imagination and spirit.

Manning believes that one of the most destructive practices in any business is for people to walk different paths. “The purpose of the business, its values and the sense of belonging cannot be duplicated readily,” says Manning. “Once they are absorbed by the core members of the team a new sense of unity and purpose becomes apparent.”

7. The more openly and honestly ideas are shared, the greater the level of trust will be and the more ideas will emerge.

To Manning’s thinking, it is vital that every company must have people who bring in ideas, and bring imagination and spirit to the company. Companies also need people who have the vision to understand the business and be able to “sniff the air to see what lies ahead and be able to understand it.”

He believes that to bring peoples’ ideas into the business, an atmosphere of trust must exist. “If trust is withheld, a stand-off comes into being that can only be destructive. If you don’t trust people, they won’t trust you.”

Manning also sees that one of the necessary strengths of a leader is the ability to manage ambiguity. “The business leader has to be able to keep all key people happy. He or she has to be able to embrace the paradoxes that always arise in business. A typical paradox that business leaders face in South Africa is the need to embrace both profitability and transformation simultaneously. It takes a true business leader to do it.”

8. When people make strategy they feel that they matter and they own the results.

Strategy is not exclusively the preserve of top management. “The fact that they hog it is precisely why it so often comes to nothing,” says Manning.

“People cannot be forced to perform. They have to apply their minds as volunteers, not conscripts. The question that has to be asked is – are you going to preach to your staff or get them to contribute?”

9. Strategic management is conversation. It informs, focuses attention and effort, triggers fresh insights, lights up the imagination, energises people and inspires performance.

The task of a leader is to provide a clear point of view, to focus and inspire the members of the team. When a leader speaks constantly about customer service, that becomes the heart of the business.

10. Your message must be compelling, simple, clear and believable, or you won’t sell it. It must also be complex and challenging, or no one will buy it. And it must be repeated with relentless consistency.

Your message to your staff must be repeated consistently until it is part of their thinking, but also because the world is changing so fast that sometimes the message itself has to change. “Often, the company’s message is delivered at a bosberaad and people leave it feeling inspired,” says Manning. “But only a small section of the company management was present and a year later everything has changed and much of what was said at the bosberaad may no longer be applicable.”

Manning teaches that leaders must keep on inspiring their people, challenging them and testing their own assumptions in the market place. “The message must always be – raise your sites, you can do better.”

In *Making Sense of Strategy*, Manning writes, “Your priority should be to change not what people think, but what they do. That way, they’ll discover that the way we do things around here is not cast in stone, and that other things work better. And over time your organization’s culture will change.” **S**

Tony Manning is one of South Africa’s top business consultants, specialising in competitive strategy and change management. He is the author of six widely-read books on management.