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Strategy take-off plan

Tony Manning

By all accounts, the world economy will be sluggish again in 2003. Some economists see the slowdown lasting for two or three years after that. Meanwhile, the level of competition is rising everywhere. So this is a dangerous time for business – but also a time of the most extraordinary *possibilities*.

Just as nature sorts out winners and losers, so do economic cycles. And just as "survival of the fittest" is a harsh reality in the wild, so it is in the corporate jungle.

Faced with times like these, business leaders have a number of options. Many will stick their heads in the sand and do nothing, hoping the moment will pass. Some will take fright, and adopt "slash and burn" tactics to get rid of overhead. A few will pursue strategies already in place, either because they believe they're doing the right thing, or because they can't – or *won't* – think of anything else. And a handful will go on the offense, trumpeting "innovation," "out of the box," "breakthrough," and "radical change."

There are clearly many ways to run a business. What works for one firm will be the kiss of death for another.

So what will you do, in the weeks and months ahead? How will you prepare your organization for a future you can't see?

Common sense says that "more of the same" is a dodgy choice at a time like this. Cost-cutting is easily justified by the "short-term pain, long term gain" argument, but can cause both pain today and trauma tomorrow. Extreme change can put an organization on a profitable new path to the future – but may also be a short-cut to failure.

Business is inherently risky. Environmental turbulence and uncertainty dramatically increase both the dangers and the likelihood of missteps.

But now as always, the real problem for most firms is not that they have more problems than opportunities. Rather, it's that *they have more opportunities than they have resources*. There's plenty to do that would be really good for them, but they have too little time, money, or whatever else they might need to succeed.

Strategists have to lay bets. They have to make hard choices deliberate trade-offs. Which leads to the question: what can you do to make more of the roughly right moves, and fewer of the definitely wrong ones?

Seeing strategy in this light is sensible for two reasons. First, it stops people bitching about what they *can't* do, and instead gets them thinking about what they *might* do. And second, it focuses attention on managing the way bets are laid.

We all know what's impossible. That might be useful knowledge in that it saves us making the same mistakes over and over again. But it doesn't move things forward. Breakthroughs don't come when you're looking in the rear-view mirror.

Possibility thinking, on the other hand, gives companies – and individuals – a powerful advantage.

However, no company can have a bash at everything in hope of hitting the jackpot. The costs would be unbearable. So there has to be some way to balance common sense with uncommon vision, boldness, and exploration.

Fortunately, there are some concrete steps you can take to make this happen. Here they are:

1. **Be alert to what's happening around you** Many people in business are dangerously unaware, uncurious, and uninterested. So make all your people the "eyes and ears" of your organization, and get them all involved in thinking and talking about the arena in which you operate. Many of their insights and ideas will be useless. Some will be gems.
2. **Test your assumptions about everything.** Don't take things at face value. Ask, "How do you know? "Why should we be sure?" "What's the evidence?" This will help you base your decisions on facts rather than feelings, on hard data rather than guesswork and flaky opinions.
3. **When small bets make sense, don't take a big swing.** Of course, there are occasions when you have to "bet the farm." But for most companies, most of the time, that's not necessary. So move forward one step at a time, learning as you go and building your resources and capabilities for the future.
4. **Keep the big picture in mind.** Without a sense of purpose and direction, anything is possible and "everywhere" is the right place to go. Effective leaders stay focused and give most of their attention to the high-impact issues.
5. **Deliver on the details.** Small things can make all the difference between winning and losing. Build your firm "one brick at a time," and it's likely to be around for a long time. Thirty-day plans help ensure that things get done.
6. **Build an organization that can change its mind.** As they age, companies suffer a "hardening of the attitudes." Their culture hardens. They develop habits, good and bad, that make them predictable. Their hone their core competences, and become increasingly skilled at things that cease to matter. But this doesn't have to happen. You can revitalize your team by challenging sacred cows, provoking interesting experiments, and encouraging "dumb" ideas. By training people to constantly think about change, they'll accept it quite naturally when it's thrust on them.
7. **Use "strategic conversation" to learn, adapt, and grow.** What gets measured gets managed, but it's only *what gets talked about* that will be either measured or managed. But strategic conversation is not just any conversation: it's carefully crafted, and consistently communicated. It's also open and honest, and tough yet respectful. It includes everyone who can make a difference, and it inspires them to keep doing just that.
8. **Don't whip dead horses.** Get off. It's daft to keep doing the same old things and expect different results. All you'll get is more of the same. So when it's clear a strategy isn't working, drop it fast. Likewise with products, processes, and people.

This advice might sound simple, but it's also highly practical. And *business, like politics, is the art of the possible*. So best you spend your time doing the few things that make the most sense, rather than the many that scream for attention and are likely to consume your time, energy, and money.

Tony Manning is an independent strategy consultant and author of eight books on management, the latest being *Competing Through Value Management*. He was previously chairman of the Institute of Directors of Southern Africa. He can be contacted at 27 11 884-2635 or by e-mail at strategist@tonymanning.com.