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Needed: a common-sense approach to strategy

Tony Manning

You can't see the future. You can't bank on your strategic plan being effective for more than a few months – or maybe even *weeks* – rather than five to ten years. So how should you move ahead? What should your priorities be?

In past years, I've written constantly about the need for companies to abandon their traditional approach to strategy, and start adopting new practices more appropriate for these times. Just how pressing this is was brought home to me just recently, when I was invited to speak at a major strategy conference in Istanbul.

The subject was "The new normal." There were close to 500 delegates, and on stage were some of the world's leading management thinkers, as well as four of Turkey's most prominent business leaders.

The speakers included Jonas Ridderstrale, author of the best-selling books *Funky Business* and *Karaoke Capitalism*; Sydney Finkelstein, a professor at the Tuck School of Business in the US, and author of *Why Smart Executives Fail*; Andreas Reuter, a vice-president at management consultants Booz-Allen Hamilton, and an expert on business wargaming; Kai Peters, CEO of the Ashridge Management College in the UK; professor Stefano D'Anna, Rector of the European School of Economics; and Lars Kollind, a Danish businessman and serial entrepreneur who took Otikon, a hearing aid company, from near collapse to No 1 spot in the world.

My presentation was the only one specifically on strategy. But while each of the other speakers looked at today's management challenges through a different lens, and while each couched their advice in different terms, we all echoed the same themes:

1. Rapid, surprising change is "the new normal." Companies have to be hyper-alert to what's happening around them, make sense of it rapidly, and act accordingly.
2. People make the difference. They come to work in search of meaning, not just money. It's essential to involve them early in major conversations and decisions, and to keep them in the loop all the time.
3. Leadership is more important than ever. Leaders have to "walk the talk" – acting with utmost integrity, staying in close touch with their people, customers, and other key stakeholders, and communicating relentlessly and consistently.
4. If you don't simplify everything, complexity will overwhelm you.

Strategy, clearly, is not just a matter of crunching numbers and making some tough trade-offs. Nor is "done" when you've produced some scenarios, completed a SWOT analysis, and developed a balanced scorecard. In fact, that might be just the easy part of the job. The real work is far harder, far messier, never over – and impossible to capture in a neat document.

Companies do need to make every effort to understand the world they're in, and then make hard decisions about where and how to compete. But since they will read the future wrong, and since they will be surprised by events, it is just as vital for them to keep adapting and building new capabilities for the future.

Leadership, strategy, and change management are inter-twined. They cannot be separated. This is an insight that has profound implications. Consider, for example, these questions:

1. Who is responsible for making strategy?
2. When should those not involved be included, told what's going on, or asked for their views?
3. At what stage should strategy creation stop and strategy implementation start?
4. What process should be used to ensure that a) the best possible strategy gets created, and b) that it gets turned into action?

These are questions I get asked at the start of almost every consulting assignment. They obviously bother managers. But why have they not given them greater thought? Why do they not take time out from their everyday hustle and bustle, consider carefully why their current approach to strategy is not working, and do the obvious things about it?

The answer, I believe, is that management theory has suckered us. We've been led down the garden path and thoroughly befuddled. We've been taught that leadership, strategy, and change are distinct and esoteric disciplines, like heart surgery, ophthalmology, and oncology, and that no ordinary person can possibly understand them.

The truth is quite different. When managers wake up to it, and when they start to apply common sense to their task, they will trigger a revolution from within. Their own people will rise up and make the difference that matters.



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