

“So, you think you have a strategy?”

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Freek Vermeulen, Professor of Strategy and Entrepreneurship at London Business School, writes this sharp, no-nonsense piece which we feel everybody in the business world would benefit from reading. For those short on time, we have condensed his excellent advice into six key points below:

Our Digest

When defining strategic direction for your team or company, it may help to consider the following:

1. Be open to the idea that you may not actually have a real, executable strategy in place. Just because the PowerPoint says you have a strategy – it doesn't necessarily mean you do!
2. Don't mistake your end goal or aspirations for your strategy, e.g. 'Headline earnings of £2m' is a measure, not a strategic objective. Although it's important to know 'what' you want to achieve, your strategy is all about 'how' you are going to get there.
3. Try not to define your strategy based on what you are already doing because it's easy. Focus on the key levers that will propel the business forward, even if it means making tough decisions and changing how you operate today.
4. Make clear choices when you define your strategy. Deciding what you 'don't' do is equally important as deciding what you 'do' do.
5. Ground strategic decisions in causality by ensuring that every lever you pull has a justifiable and measurable link to profitability.
6. Communicate your strategy across the organisation at every level (and not just by circulating a power point document). In our experience, only 5-10% of workforces understand their company's strategy. You will only see behavioural changes in employees when they can clearly articulate their company's 'story', and when they recognise their role in its success.

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