

Formulating a Strategy

Part One of a Three-Part Strategy Series

by Jon Craighead

“The only true wisdom is in knowing you know nothing.” Socrates

No conscientious business leader would knowingly choose a strategy to fail an envisioned objective – yet many do. Regrettably, far too many executives build their new strategy primarily on past experiences, particularly when they have been successful. It’s human nature to rely on past successes when planning. One reliable way to access the validity of your strategic methodology is to notice, with concern, when your new strategy resembles your old strategy.

The highly-respected strategist Richard Rumelt, in his book [Good Strategy Bad Strategy: The Difference and Why It Matters](#), states: “A good strategy doesn’t just draw on existing strength, it creates strength through the coherence of its design.” The strategic process is fundamentally a process of discovery and invention as opposed to a process to be merely completed.

Creating a winnable strategy is a combination of experience tempered with a willingness to explore. When one relies on one’s knowledge as the answer it usually results in being detrimental to the learning process. Knowledge is significantly important when blended with consciously seeking new ideas and discoveries, which in turn generates the power of creation. This allows a methodology for potential success. A further outcome of discovery is to obtain knowledge about, learn of, find out, and gain insight to something previously unseen or unknown. This process is often a difficult barrier to overcome for successful and experienced leaders, primarily because it’s difficult to suspend knowledge that has served them well in the past and most likely still has some relevant value.

Nevertheless, this is frequently the most difficult aspect of building a strategic future. The essence of knowing is to be cognizant or aware of something. Yet when you are planning a future you can’t know the unknown with any absolute certainty, irrespective of your expertise. What is available is at best an educated presumption. Therefore, to assure your best outcome there are two actions of absolute importance.

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First, recognize this strategic presumption is not an absolute reality but a reasoned assertion. Keep in mind the previously discussed potential deleterious effects of false positives regarding strategic planning. This process is most effective with an adroit balance of experience and discovery. The first step is to acknowledge that strategy is not inert but a living organism. Another vital factor is to form a strategic planning group. The membership of this group should represent each major organizational department – manufacturing, shipping, sales, accounting, etc. This team should set the objective to be accomplished and develop the tools of success. Critically important, the strategy team should set prescribed measurable progress indicators.

Secondly, leaders must put in place a pre-approved schedule of measurable periodic assessment checks. These reality checks are a body of pre-determined resolute performance metrics of measurable indicators to ascertain actual production milestones. All performance metrics should be pre-validated by best practice standards. They are essential tools to provide guidance in uncharted realms, as in building a future.

This oversight process should include published production review dates followed by a written and disseminated summary of findings for reviewing specific targeted objectives by the strategic planning group. This will allow for the confirmation of scheduled on-time production or provide an opportunity to make immediate production corrections. Direct action should be taken when there is an indicated objective shortfall or failure. No surprise should be left unattended. All findings should be well-documented and studied for current and future guidance. In those instances where a flawed process is discovered and replaced, it is not in itself a bad effort; rather it's about replacing a methodology that is inappropriate for this specific process at hand.

As previously stated, there is a natural human resistance to change, and this is even more the case when life is going well. The value of strategy is never about the status quo; it is always about building a future. It's about a conception of what's possible and stretching ourselves to meet those challenges and building a potential future that is unlikely to happen on its own. It's about bettering ourselves beyond what we imagine and making life more efficient and effective, more satisfying and more sustainable, tomorrow and beyond. Strategy is a big deal!