

Jim's Profit Accelerator 89: Is Strategy Drowning Your Tactics?

By now most effective leaders know that strategy is about the “What,” and tactics are about the “How.” I’m finding a strange conflation of the two, which shows up like this: “We’re planning to improve our gross margin this year by two basis points, increase sales by 5 percent, and increase our pre-tax profit margin by 25 basis points.” (An increase of 25 basis points means that profitability moves from 3.5 percent to 3.75 percent).

Nothing wrong with growing, or those objectives, except that they reek of strategic hobbling. Why not double sales and profitability in 24 months?

SPEED BUMP: If your goals are modest, you are strapped down by the how.

Does this sound familiar? “It would be great to grow that fast, but we couldn’t handle the business.” Wrong answer. The right answer is: “Let’s go for it. What will it take?” This approach enables the tactical discovery of the details needed for success. It includes mistakes, while raising the odds of success dramatically. Of course, plans need to include space for the three pinions of development success:

- Trial
- Error
- Adjustment

My experience is that if you look behind “we can’t,” you’ll see doubt about the capacity of the leader to endure the pain of the three pinions. That path includes pain and heartbreak, and then success adrenalin.

SPEED BUMP: Clarify when the discussion is strategic, and when it is tactical.

This skill is actually more valuable than the vision thing, or the capacity to find solutions to the next breakthrough. This is a “permission skill.” When the discussion is labeled strategic, it’s okay to think big, ignoring the how. When the discussion is labeled tactical, it’s imperative that the how is framed and a path to implementation is found.

We boosted sales 47 percent at Triad Speakers, already a star in its industry. We did that by cleaning out the crud in internal processes, much like Amazon has done (though not *that* fast).

SPEED BUMP: Once the tactical label is in the room, the energy skyrockets.

Why the skyrocket? When folks know the game, the good ones will jump in and play to win. Dithering and wandering happen when the game is fuzzy; that’s when pleasing the leader becomes the game.

ACCELERANT: Will you have the courage to define when it's tactical?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

For more information, visit www.grewco.com.

Jim Grew is an expert in CEO-level strategy and executive leadership whose clients refer to him as the Business Defogger and Accelerator. Jim helps leaders swiftly discover the hidden opportunities within their businesses and exploit them for dramatic results. Nearly three decades of success as a COO and CEO coupled with his experience running nine thriving businesses provide the foundation for his consulting work as president of the Grew Company. He presents regularly to industry groups, mentors business leaders, and shares insights on his blog, BizBursts.com: <http://bizbursts.com/>. He holds BA and MBA degrees from Stanford University.

©Jim Grew 2016. All Rights Reserved. *Do Business Faster*