

## **Better Business Strategy? Focus on the ‘How’, Not the ‘What’**

Of course, we all want to be strategic gurus, visionary leaders and creative geniuses. After all who wouldn't? In our efforts to be so, we keep the printing presses rolling as we jump on what we hope is the next hot trend. Titles like “Double Digit Growth”, “Good to Great” and “Seeing What's Next” seduce us with magic potions of what things we can do...and *fast!* Certainly many of these authors have something important to say. We don't mean to trivialize their contribution. But once we have adopted their sage advice, then what? How have we changed? How has the ‘organization of our organization’ grown? How are we stronger? Or are we just betting on following the next big business fashion?

For too long, organizations have had a single-minded focus on the questions of *what* should we do? What are our goals? What is our strategy? What new products will we launch? What costs shall we take out?

In fact, the first question we must ask ourselves is – *how* should we do it? *How* shall we think and act together? *How* shall we develop objectives? *How* do we go about developing strategy? *How* will we develop new products or services? *How* will we measure our business? Then and only then, when we address these kinds of questions – the *hows* - can we start to form the DNA of a truly great business; one with sustained superior results, one that stands the test of time. It all starts with *how*. And *how* means process. As Paul (former U.S. Treasury Secretary and former CEO - Alcoa, Rand Corporation) has so eloquently stated – “*Process determines outcome*”.

There are several core processes that are the *hows* of building strategy and business plans. First, follow Socrates wisdom to ‘know thyself’. Thinking in the corporate sense is a shared thing, the collective brain that is ultimately responsible for developing what to do. So step one is to enlighten yourselves - both individually and as a team. Who are the realists? Who are the original thinkers, the expressive ones, the theorists? Each has a critical role to play in team thinking. How will you interact with each other? It takes practice and if this sounds a bit like group psychology, hey don't knock it till you've tried it.

Second, follow a process of ‘Commitment of Purpose’. Why are you in business and why do you come to work everyday? This could take the form of a good old mission statement but don't get stalled (like so many companies do) by the flowery words and phrases - bullet point it if you must, using themes and common language. Next, define the specific longer term goals you will strive for. When finished, share the results of your commitment widely. It's like telling your friends you've quit smoking - once broadcast, it's tough to recant.

Third, use a process that breaks your strategy development and planning into three distinct yet interdependent pieces that take place at intervals over the year; i) 'Long Range Strategy', ii) 'Fiscal Year Implementation' and iii) 'Gaps, Contingencies & Opportunities'. In 'Long Range Strategy', use the combined, new found power of your collective thinking machine to draw a 'picture of the future', then develop and sequence broad strategic themes that will unfold over a longer time horizon. Depending on the nature of your industry this could be three to seven years or more. In 'Fiscal Year Implementation', spell out the specific plans, tactics, timing, metrics and budgets associated with the upcoming year. Last and just before the year starts, use 'Gaps, Contingencies & Opportunities' to backstop shortfalls that are real or have potential to be so. Ideally, uncover the various opportunities to outperform budget that will allow you to sleep better at night. Your shareholders will thank you as will your colleagues at bonus time.

Remember, put the horse of 'how' before the cart of 'what'. You'll be on the path to winning performance and building the DNA of greatness into your business.

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