

The Strategy

POWERHOUSE

A Manifesto to Revolutionise Growth

Stuart Cross, December 2017

At its heart, strategy is pretty simple: it's about creating a clear direction and ambition that will drive your future success. But, as we all know, very few organisations succeed in either developing or delivering a strategy that delivers sustained growth.

It's true that unpredictable markets, changes in technology and upstart competition all make it difficult to commit to a particular course of action and follow through on your objectives and initiatives. Yet, some companies do succeed in creating and implementing a strategy that works, whatever the external environment.

In fact, the more I think about it the clearer it is to me that the issue is internal, not external. Organisational culture, shared beliefs and senior leadership are the real enablers – or barriers – to strategic success. Everything else is just noise.

So, I have created a manifesto to help you build and develop your company's strategic power. Use these 12 declarations as a checklist and a guide to the step-changing the effectiveness of your strategic approach:

1. **“The truth can't hurt you, it's just like the dark...”** This is a line from an Elvis Costello song (*I Want You*, from the Blood and Chocolate LP), which continues, “...it scares you witless, but in time you see things clear and stark.” In other words, you need to face the facts and insights about your organisation's current position, its performance and its future opportunities. The power of real insight is even greater when it is the power of shared insight. You shouldn't just focus on what the truth is to you

as an individual leader of your business, but should identify what the truth and real insights are to you as a collective leadership team. This means that openness, a willingness and ability to discuss uncomfortable issues, a desire to look for cause rather than blame on problem areas, as well as a talent to collectively look for and spot emerging new opportunities are all essential characteristics of great strategic teams.

2. **The customer's not always right, but that's the way to bet.** All great companies have a laser-like focus on understanding what their customers really want and need. Like a party of trekkers in the Himalayas who stay physically close to their guides during the raging storms that can descend unexpectedly in the mountains, you need to stay close to your customers at all times. They can guide your next steps and help lead you to a successful outcome. Customers may not set your destination or the mountain you choose to climb, but they can provide the necessary navigation to help you arrive safely – if you let them.
3. **Nothing fails like success.** Most companies don't fail because they're bad at what they do, but because they're great at what they do. It's by clinging onto strengths, capabilities, products and services that are no longer valued by your customers that will most likely bring you down. Just think of Kodak, Nokia and Blockbuster. In general, declines are driven by a mixture of organisational arrogance, defensiveness and inertia. In addition to the two points, above, you must continue to raise the bar on performance and have a continual, action-driven focus on innovation to overcome the danger of seeing your success sow the seeds of your decline.
4. **#1 or gone.** You have no choice but to aim to lead your market in some way. If you're not willing to commit to leadership, you're committing to your own demise, or, at the very least, to achieving no more than 'average' performance. Being #1 doesn't necessarily mean being the biggest. Instead, you might be the most important player to a particular group of your market's customers. Ryanair, for instance, targets budget-focused travellers, while Singapore Airlines attracts those customers wanting – and willing to pay for – the very best service. Both are #1 in their own right.
5. **Strategy is a contact sport (I).** Leadership teams shouldn't delegate the development of strategy to lower level managers or consultants. Delivering a strategy is hard, back-breaking work and you need to believe in the outcome if you're going to stay the course. In my experience engagement and commitment to any course of action is based on involvement. Without involvement, there can be little genuine ownership. Here's what Dennis Sadlowski, the former CEO of Siemens CEO, told me about his strategy process when I interviewed him for my book, *The CEO's Strategy Handbook*: *“Engagement starts with involvement, and I ensured that the executive team and key managers at the next level were intimately involved in the development of our growth strategy. We didn't rely on external consultants to tell us the way forward; we led the work ourselves, doing our own blocking and tackling to make sure we understood the detail.”*
6. **Most business strategies can be developed within 48 hours.** With a bit of planning and structure, leadership teams can create the outline of an effective strategy in a couple of days. When I work with my clients, I will lead a two-day session with the leadership team that will turn a set of inputs and opinions into a shared view of the company's biggest goals, it's overall scope and reach and the top priorities. These outputs may evolve after the meeting, but they set the overall direction and philosophy that the company's leaders can embed across their organisation.
7. **Innovation is an imperative, not an option.** If you're committed to being #1 then you have no choice but to innovate. In fact, it's impossible to gain and sustain a leading position in your market without a systematic commitment to innovation. You must be constantly adapting and changing at least as fast as your environment,

raising the bar on your performance to find new ways to win, rather than simply relying on your perpetuating your existing successes.

8. **Actions speak louder than plans.**

Too many companies spend too much time planning incremental improvements to their business, when the winners are consistently focused on taking action. The key to success is not to have brilliant systems or the most capable managers – or even the best plan. Instead, it is about attitude and behaviour. In short, to deliver rapid growth, you must be willing to act, willing to fail and willing to learn. In the end, this is the only route to sustainable success. It's not so much the old adage of 'fail to plan and you plan to fail', but more a case of 'fail to learn and you learn to fail'.

9. **You can't chase two hares.** There is a Japanese saying that translates as 'you can't chase two hares'. If a top-class hunting dog chases after a hare it has a 10% chance of catching it. But if the dog hedges its bets and tries to chase two at once, its success rate is reduced to nil. The dog quickly learns that 10% is the way to go! The lesson is clear: don't try and do everything. Instead, focus relentlessly on those initiatives and actions you can move forward at pace and which will have the biggest impact on your strategic ambitions.

10. **Think big, start small, learn fast.**

Taking strategic action isn't just about taking big risks, but about learning faster and more cheaply than your competitors. Starting small may seem counterintuitive to pace, but it is in fact fundamental. If you focus on a single product, factory, store, team or region, rather than taking on your entire organisation, you can learn far faster. You have the ability to change things on a Monday, for instance, and see how it's gone on Tuesday. What's more starting small doesn't mean

limiting your ambition. On the contrary, if you narrow the scope of your implementation, you can raise your performance aspirations and become more experimental. Starting small gives you the ability to learn quickly and to build the knowledge and confidence to fire the investment rockets.

11. **Strategy is a contact sport (2).** In

other words, it's all about the people. Strategy is created top-down, but it's delivered bottom-up and 90% or more of your strategic focus should be on developing, engaging and supporting your people to deliver. Most unsuccessful strategies result from a lack of organisational understanding, engagement and ownership to deliver. As a leader of your business, this means that you must spend most of your time, every day, on sharing the future vision of your business, communicating that vision effectively, both through stories and by relating the high-level strategy to everyday, 'ground-level' actions, and acting as role models to the entire organisation. It also means involving your managers in developing solutions to your biggest strategic issues, providing timely feedback on progress and allowing your teams to develop and use their entire range of skills and capabilities.

12. **Willpower beats horsepower.**

Strategic power and success is a result of the delivery of a consistent set of actions. That requires discipline, perseverance and a healthy dose of bloody-mindedness. Deep pockets are great, but they are nothing without collective willpower. In practice, this requires effective diary management, ensuring clear ownership of your biggest strategic initiatives, establishing regular senior-level review meetings, creating a culture of cross-functional collaboration, celebrating successes and becoming a role-model of discipline yourself.

Summary

Individually, each of these 12 steps can improve your chances of delivering rapid, sustainable growth. Taken together, however, these actions can turn your business into a strategy powerhouse and transform and revolutionise your ability to translate your high-level aspirations and ambitions into a consistently more rewarding experience for your customers, improved career opportunities for your people, higher levels of growth and profit for your owners and a longer-lasting, more positive impact on the wider world.

How will you create your own strategy powerhouse? And which of the steps could you focus on next to revolutionise the growth of your business?

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Stuart Cross is the owner and director of Morgan Cross Consulting and is an expert on strategy, growth and performance management.

Since its launch in 2006, Morgan Cross Consulting has attracted market-leading clients including Walgreens Boots Alliance, Aimia, GlaxoSmithKline, PricewaterhouseCoopers, Greene King and Wm Morrison Supermarkets. As

Alex Gourlay, the Chief Operating Officer of Walgreens Boots Alliance, put it, “*Stuart has always helped me to think and act differently, and that is the key to innovation in any leadership role.*”

Stuart is chartered accountant – though he rarely divulges this information on a ‘first date’! He is a regular speaker on the subjects of strategy, growth, innovation and leadership and has taught on MBA courses at Warwick Business School and Nottingham University Business School. Stuart has written two books, *The CEO’s Strategy Handbook* (Global Professional Publishing, 2011) and *First & Fast: Outpace Your Competitors, Lead Your Markets and Accelerate Growth* (Business Expert Press, 2016).

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