

Strategy Huddle™ with MyStrategicPlan:

What Is Strategy

Welcome!

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Purpose Answer real-world questions, handle high-level strategy issues, and share best practices on strategy, execution, planning

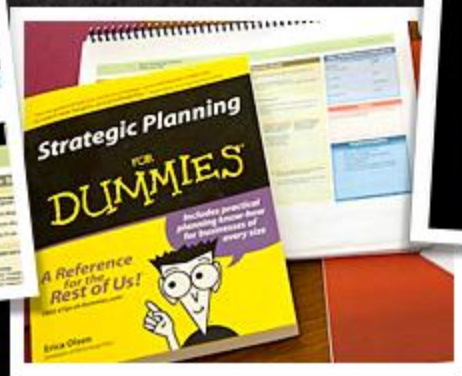
Duration 45-60 minutes

Your Role Ask questions: Questions can be submitted via the Chat Box on right at any time. **

Offer suggestions: Share your experience via the Chat Box during the topic at hand

Details Session is being recorded and a follow-up email this week will include a link to this huddle as well as the supporting slides.

- ⑥ In the past three years we have...
- ⑥ Managed 100+ strategic planning processes
- ⑥ Deployed 800+ strategic management systems (MyStrategicPlan, MyNonprofitPlan, MyChurchPlan)
- ⑥ Built consensus and commitment with 3,000+ executives, managers, boards
- ⑥ Empowered 1 million+ strategist & soon-to-be strategists



Topic: What is strategy?

- I. Stat of the Month
- II. What is strategy? What is the difference between strategy and tactics?
- III. What are the different types and levels of “strategies” that exist in organizations?
- IV. What is strategy and how is it articulated in a strategic plan?
- v. Checklist to assess your plan
- VI. Tap into the Wisdom of the Crowd: Your Questions (Time Permitting)

Many Firms Lack List of Strategic Priorities

49% of executives surveyed say their companies have no list of strategic priorities. "Too many companies grab too hastily for what seems like the next answer to growth," Cesare R. Mainardi.

Co-Author of The Essential Advantage: How to Win with a Capabilities-Driven Strategy

What is strategy? What is the difference between strategy and tactics?

WHAT IS STRATEGY?

"Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value."

- Michael Porter, Guru of Strategy

The Strategic Sweet Spot

The strategic sweet spot of a company is where it meets customers' needs in a way that rivals can't, given the context in which it competes.



Edward Jones's Strategy Statement:

To grow to 17,000 financial advisors by 2012 by offering trusted and convenient face-to-face financial advice to conservative individual investors who delegate their financial decisions through a national network of one-on-one financial adviser offices.

Strategy vs. Tactics

Strategy (What?)		Tactics (How?)
What	Quick View	How & Who
<i>Stratos</i> : army, or resources <i>Ago</i> : leading	Greek Definition	Taktikē: the art of organizing an army, a maneuver
To lead your resources, a plan, method, or series of maneuvers or stratagems for obtaining a specific goal or result	English Definition	A plan for attaining a particular goal
Stable, democratic Iraq, through the Surge and Clear-Hold-Build	Example	Operation Sinbad including the various ways to advance on a city, to clear a house, and to detect mines
Organization-level determiner: Foster the growth of youth to be the strong leaders of tomorrow.	Organization Example	Staff-level actioning: Develop programs that teach civic responsibility and leadership.

Corporate, business unit, market level strategies

WHAT ARE THE DIFFERENT TYPES OF STRATEGIES?

Corporate Level

- Growth
- Retrenchment
- Stability

Business Level

- Cost (price) Leadership/Operational Efficiency
- Differentiation/Product Leadership
- Focus/Customer Intimacy

Market Level

- Market Penetration
- Market Development
- Product/Service Development
- Diversification

Growth

- Concentration
 - Vertical and Horizontal
- Diversification
 - Concentric
 - Conglomerate

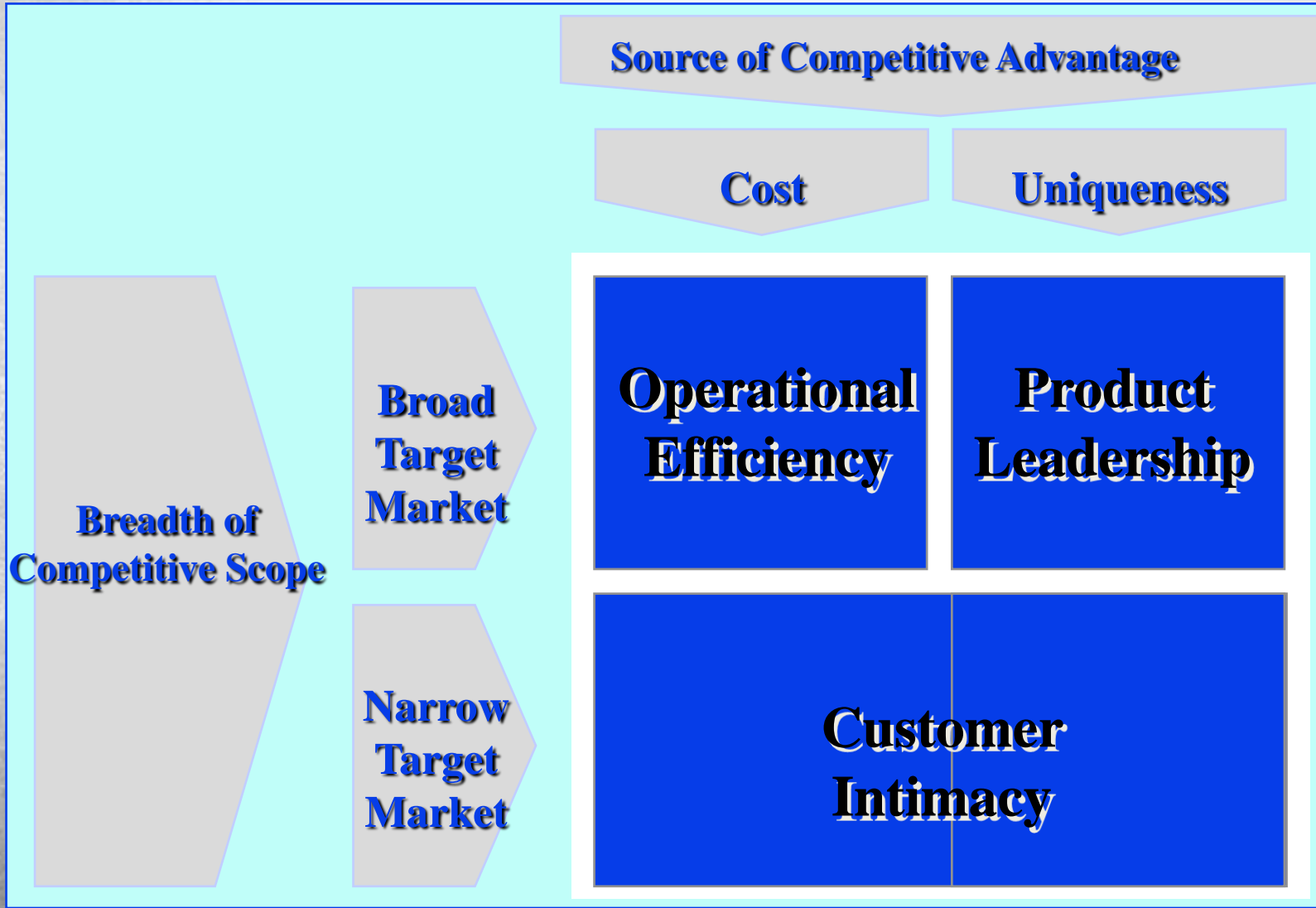
Stability

- Pause and Proceed with Caution
- No Change
- Profit

Retrenchment

- Turnaround
- Captive Company
- Sell out or Divestment
 - Spin-off
 - Management buyout (MBO)
- Bankruptcy or Liquidation

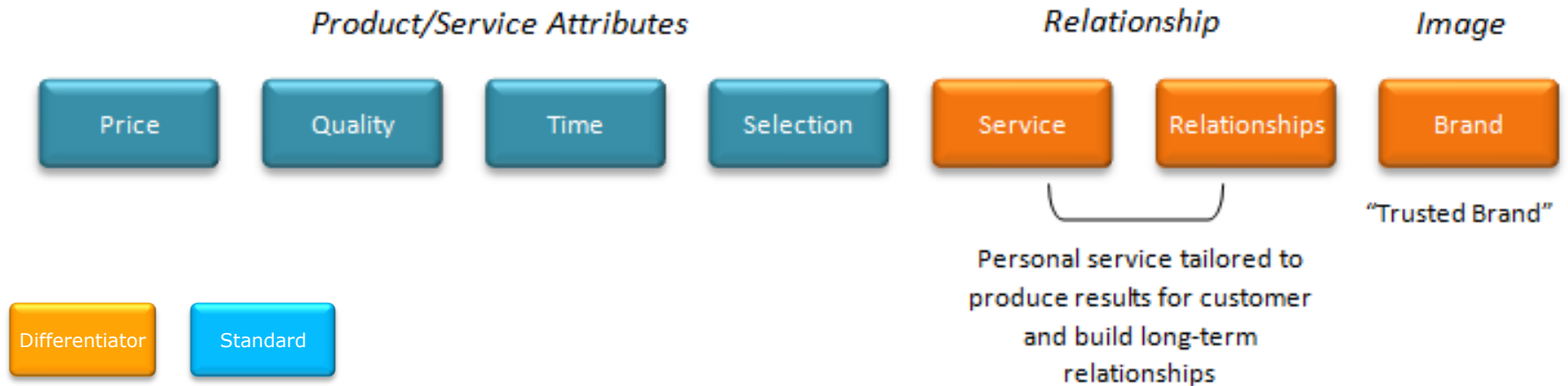
Generic Business Level Strategies



Michael Porter and Treacy Wiersma – *The Discipline of Market Leaders*

“We provide the best total solution to our customers because we make a practice of knowing exactly what they need.”

Customer Intimacy Strategy



- To ensure that our customers feel like we understand them by continually engaging in market research and responding to it
- To provide customized products and services to meet their needs
- To stress exceptional customer service
- To install and effectively use a customer relationship management system
- To offer and sell a complete solution (selling multiple and bundled products and services)

Kaplan & Norton - *The Strategy Focused Organization*

Customer Intimacy - Compete on Scope

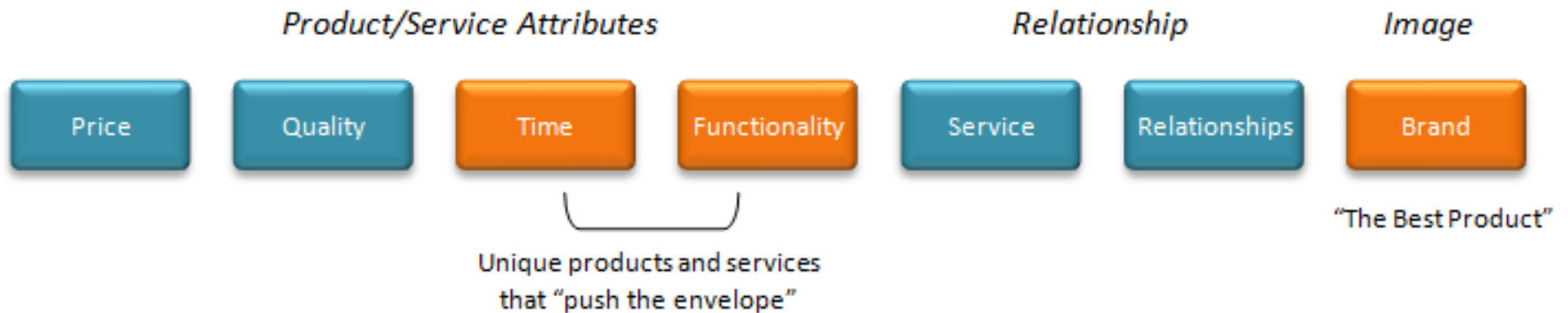
- Offerings tailored to customers & segments
- Deep insight into customer needs
- Problem solving service culture
- Full range of services, so customers stay
- Breakthrough thinking, unique solutions

Examples:

- Broad (Amazon)
- Narrow (NSP - activists, NRI - network administrators)
- Segmented (Computer security – spooks and commerce, Financial services – rich, poor and in-between.)

“We offer products and services that expand existing boundaries past what was thought possible.”

Product Leadership Strategy



- To strive to be first-to-market with new products, services, or functionality
- To always produce leading-edge products and services that exceed the performance of competing products
- To maintain higher prices than competitors because of the superior product
- To reach new customer groups

Kaplan & Norton - *The Strategy Focused Organization*

Product Leadership - Compete on Speed

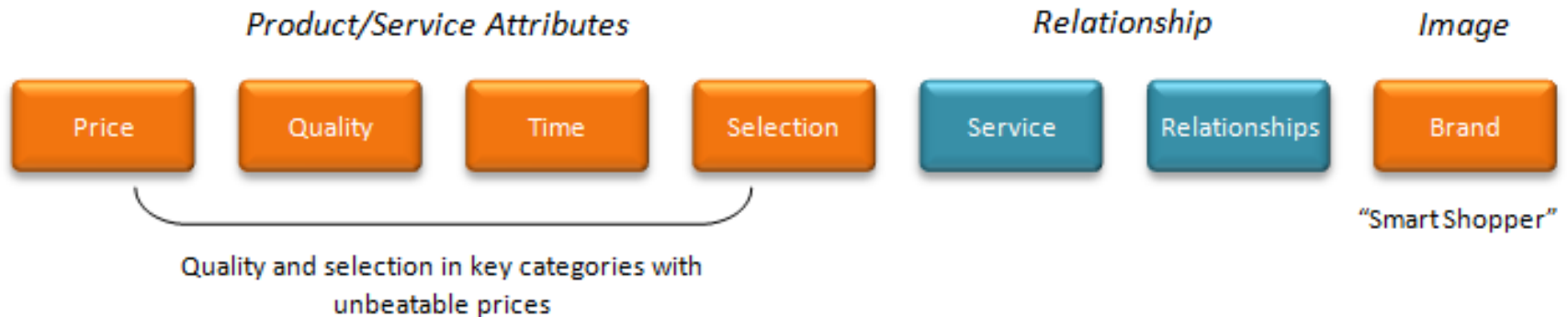
- Good design, great execution
- Educate & lead the market
- Ad hoc, risk oriented culture
- Organization designed for innovation

Examples:

- Quality (Mercedes)
- Design (Apple)
- Image (Nike)
- Functionality (Sony)
- Special niches (Zitner's candied apples; independent films)

“We offer products and services that are always consistent, on-time, and low in cost.”

Total Low Cost Provider



- To continually offer the most attractive prices
- To purchase and source from the lowest-cost suppliers
- To offer excellent and consistent quality
- To ensure that our company has a good product or service selection
- To make buying from our company easy and fast

Operational Excellence - Compete on Scale

- Low price, limited options, ultimate convenience
- Managed customer expectations
- Measurement culture
- Processes & transactions continually redesigned for efficiency

Examples:

- Dell Computers (logistics, volume)
- Motel 6 (location, services, salespeople).
- Southwest Airlines (corporate culture, service)
- Wal-Mart

Red Ocean Versus Blue Ocean Strategy

The imperatives for red ocean and blue ocean strategies are starkly different.

Red ocean strategy	Blue ocean strategy
Compete in existing market space.	Create uncontested market space.
Beat the competition.	Make the competition irrelevant.
Exploit existing demand.	Create and capture new demand.
Make the value/cost trade-off.	Break the value/cost trade-off.
Align the whole system of a company's activities with its strategic choice of differentiation <i>or</i> low cost.	Align the whole system of a company's activities in pursuit of differentiation <i>and</i> low cost.

Harvard Business Review, October 2004, pp 76-84

Current Products/Services

New Products/Services

Current Markets

Market Penetration

Focusing on your market and product by niching

Product and Service Development

Leveraging your market knowledge to develop new products

New Markets

Geographic, Segment and/or Channel Expansion

Leveraging your product knowledge to reach new markets

Innovation/ Diversification

Diversifying by offering new products in new markets.

**HOW IS STRATEGY ARTICULATED
IN YOUR PLAN?**

Places to find your strategic intent:

- ⑥ Competitive advantages
- ⑥ Strategic objectives/priorities
- ⑥ Market and customer explanations = value proposition
- ⑥ Competitive analysis and your positioning
- ⑥ What is NOT in your plan

Checklist to assess your plan:

- ✓ **Can you say what your strategy is?** Vision, scope and competitive advantage
- ✓ **Corporate strategy:** Growth, stability, retrenchment
- ✓ **Business Strategy:** Customer intimacy, product/service leadership, low cost
- ✓ **Market Growth:** Market penetration, market development, product/service development, diversification

Any insights you would like to share related to one of today's topics?

What are some strategy or execution questions you would like to discuss?

One-on-one training for those trouble spots in your planning.

The right package to fit your specific need.

www.mystrategicplan.com/strategic-planning-consulting

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Get started on the right foot and avoid pitfalls to improve the success of your plan.

- Jumpstart your plan with one-on-one assistance from a planning professional

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Ensure your plan is complete, holistic and ready to implement!

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Learn an organization's strengths and weaknesses from those who know it best.

- Survey directors, managers and staff to receive their anonymous feedback in a report designed to help develop long and short-term direction.

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Establish a solid program for plan roll-out, implementation and execution.

- Receive training for up to 25 people, a custom schedule and program tailored to your organization

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Optimize Results!

QBR Coach

Learn how to run your Quarterly Business Reviews in order to keep your strategic plan alive.

- Receive personal guidance and assistance on running effective strategy reviews for 3 months, which are the heartbeat of a planning process.

\$1,495

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Step-by-Step Advisor

Receive a full plan and strategic process to drive your whole organization.

- A dedicated strategy advisor will guide you through the strategic planning process from start to finish.

\$4,750

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Build Your Own

We offer a wide variety of services including on-site facilitations, market research, strategic planning consulting, execution management & training.

Available Upon Request

[Get More Info](#)

- ⑥ Next Date is March 23rd 9am PT
- ⑥ Send in questions for the next Strategy Huddle to admin@mystrategicplan.com (reference the Strategy Huddle in the subject line)
- ⑥ Interested in sharing/presenting a best practice as a Strategy Leader? (send email to admin@mystrategicplan.com and reference the Strategy Huddle in the subject line)
- ⑥ Follow us on Facebook & Twitter @MyStrategicPlan
- ⑥ Today's session is being recorded and a follow-up email this week will include a link to this huddle as well as the supporting slides.

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