

Position Paper

Strategic Focus

Introduction

The purpose of this paper is to suggest that a key hallmark of successful organisations and companies is their strategic focus. By this I mean that they have a clear mission behind which all of their staff are aligned. This also requires the organisation to be clear about their culture and values. Without this the commitment of all staff is made much more difficult. With this focus any company can grow its business and its turnover.

Context

In today's world the distractions created by the level of information flowing through a system at any time can considerably exacerbate the apparent complexity of working in that system. In large companies, organisations and partnerships, the potential for complexity is vast. In the private sector we have seen how this can affect the viability of financial organisations. Those at the top can be crystal clear about their strategic direction and focus. As was the case with Northern Rock when they expanded their markets into riskier territory. What they will almost certainly not have done is communicated this adequately and clearly to their total workforce. From this moment, their culture and values were not part of a shared strategy. The NHS is another classic example where various systems sit side by side rather than all parts working within one system.

To take successful examples of strategic focus, Google gives us a tremendous pointer. Douglas Merrill in his book "Getting Organised in the Google Era" describes his journey from suffering from dyslexia as a child to running Google and how Google developed concepts such as meetings in real time on video for all employees to see and to contribute to. They brought an open mind to the strategic planning process

Research

For other examples of well thought out strategic focus, the Kaiser Permanente Foundation in the US approaches healthcare through one seamless, integrated strategy. Everyone employed in the organisation knows the mission statement. Representatives from the NHS in England have been visiting the US to learn lessons from this organisation and continue to be impressed with the way in which the organisation has created this holistic strategy. Tom Peters in "In Search of Excellence" cautioned that strategic planning would never succeed when the "bean counters" had taken over. In

other words even the best strategic plan had to have the commitment of all the staff in the organisation in order to succeed.

Strategy – a definition

I have tried to distil this down to the simplest possible definition. My own definition is “A device by which you turn your mission from the abstract into the concrete”. By contrast, the most recent edition of Harvard Business Review examining a range of business models would appear to make strategy into the most complex of concepts. Several well written but lengthy papers all appear to make the same points yet all of which all claim to be unique. In every case the issue of strategy was made harder to understand rather than simpler.

Strategy is the golden thread which runs throughout your organisation like a seam through rock. It should inform everything and should enable you to avoid the knee jerk, reactive decision making which can characterise business. Strategy is the container which defines your boundaries but enables you to fly. The lack of it would be like a Rolls Royce without doors. Still a lovely car with a great engine but a little unsafe to drive in.

History of Strategy

The word strategy is not derived from business. It is philosophical, political and military in origin. All the great thinkers throughout history developed strategies to communicate to the world – Confucius, Bertrand Russell, Einstein. All the great leaders throughout history had a strategy. For some it was a political strategy – Henry VIII, Cleopatra, Queen Elizabeth I – for some it was a military strategy - Napoleon, Alexander the Great, Attila the Hun, Wellington. These were people who had a very clear sense of direction – a thirst for power. They often had the capacity to literally visualise a battle and how they would deploy their forces for maximum advantage. Braveheart the film brilliantly demonstrates this concept in action. It is possible to fight with inferior weaponry and win by strategy and tactics.

From a military perspective we have only to consider the time, artistic endeavour, craftsmanship and sheer time and effort which has gone into the human race's love of weaponry (as a thing of beauty) – see the Wallace Collection at Manchester Square in London for one of the largest and most beautiful collections of armoury. To consider our society's use and continuing development of weapons is to understand the significance of a strategic approach to the acquisition of power and the importance of strategic focus

Politically it is possible to see the use of strategy. A current book which I am reading compares the book “The Prince” by Machiavelli written in 15th century Florence, Italy with the Tony Blair years as Prime Minister in the UK. Written by his Chief of Staff, Jonathon Powell, it draws direct parallels between the two. Interestingly it informs us that Jonathon had a 100 day plan prepared for office one year ahead of Tony's election to the role. This plan had overall strategic concepts together with detailed ideas about what to do, in what order and how to use those who would be appointed to carry out these tasks. The detail included which offices people would work from. This illustrates the key point that certain decisions have to be made very quickly following a change – to take advantage of the subsequent turbulence. If not they are much more difficult to bring about later when people have time to object.

Implications

How does all this inform our thinking about business? If we want to have successful profit making companies we need to think about strategic focus as the primary place to start. What is our purpose – what are we here to do? What results do we want and who are our customers. Everything else tends to follow this simple line of questioning.

Potential Problems

A key issue for a business is the potential for strategic drift. An employee can be given a project which is clearly specified in terms of its outcomes, milestones and deadlines. A project steering group is often set up which uses those criteria to structure and phase the project. However the way those parameters are heard is informed by the various individual perceptions within that group who are all affected by other influences upon them from both within and outside the company. If strong leadership is not shown keeping the ultimate aim of the project at all times in mind and checking things out on a frequent basis the potential for strategic drift is huge. In a recent piece of work with a large consortium of organisations I was carrying out a review of their structure and making recommendations for re-design. The level of strategic drift was such that a policy unit they created to assist them to understand, communicate and to manage the work became an end in itself – no longer there to service the real functions of the consortium but simply to continue to exist and to consume resources.

By contrast businesses which are utterly clear about their purpose and focus constantly up on it can successfully ride out the worst of recessions, as we have seen in the tourism and digital sectors with one or two successful companies in the north east of England.

Conclusion

In conclusion, every business needs a strategy and needs to ensure it maintains a focus on the three or four key issues which make it the business which it is – which define it. This risk is that if the business does not do that it becomes something else – often unrecognisable.

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