

Skills in Strategy Creation and Execution; the First Step towards Management Greatness

Although 85% or more of business organisations globally undertake some form of formal strategic planning, levels of satisfaction with this discipline are extremely disappointing. In the not too distant past for example, the Economist Intelligence Unit (EIU) revealed that from their research “*only 11% of executives are highly satisfied that strategic planning is worth the effort*”. Our own research (Strategic Management Institute (SMI)) found that in Australia, as many as 72% of executives agreed that they could implement strategy more effectively.

These are not isolated observations; in fact many surveys confirm that what some consider to be the most important aspect of management is inadequate, as the driving force in the determination of the future direction of the business strategy is fundamental to the realisation of stakeholder outcomes and feeds the managers ability to perform. Strategy; defines the direction around which managers can lead; provides the rationale for the organisational structure, and; is the driver of organisational renewal.

Despite this, our anecdotal evidence suggests that where a dedicated ‘strategy’ function is in place, it is the area that is least likely to be afforded vital organisational support and resources including broad based, General Management level (and higher) attention and other support in the form of allocations of financial backing and investments in enabling technology. Ironically, it is usually an area where the highest qualified and most valued staff are found, as well as being a function that is increasingly appearing in corporate organisation charts.

Whether there is or isn’t a dedicated strategy function, low satisfaction levels with both the outputs and the process can be attributed to a number of issues associated with confusion attributable to the way in which ‘strategising’ is enacted. The foundation for modern strategy is grounded in theory that emerged in the mid 1960’s, a time of relative certainty. For the next 20 to 30 years a typical process oriented strategic ‘planning’ regime was built around forecasts for the future that articulated expected outcomes which were then translated into strategic ‘plans’. Whereas times have changed, most of these processes haven’t. Business today is bedevilled by uncertainty, to the point where predictions about the future are close to impossible and the content of strategic ‘plans’ are based more on assumptions and estimates than fact. Strategy in this environment must be agile, responsive and proactive. Strategists must be alert to change and be in a position to both deal with and in fact encourage inclusive emerging strategy, while also ensuring planned strategy is implemented and not ignored.

With the emergence of increasing complexity and uncertainty, new methods of strategising appear from time to time, but these do not replace the old, rather they just add to the mix of tools already in use. At the same time, functionally oriented executives (accounting, engineering, law) struggle to understand and appreciate the changes in a science that is not their core area of responsibility. They also fail to appreciate that there is no ‘one right way’ to do strategy, although most text books and strategy ‘guru’s’ would have you think otherwise.

As strategy practitioners and educators the SMI has identified a number of issues that serve to illustrate what needs to change to make strategy more effective. An understanding of advances in strategy theory since the 1960’s is a start. This provides individuals with the ability to structure their thoughts and to better articulate creative ideas and innovation in a way that will capture everyone’s attention. An understanding of contemporary strategy theory combined with an acceptance that the ones that they were taught (or just read about) are not the only solutions, but form part of a suite of options, any of which may or may not be relevant would be helpful.

With a grounding in broader perspectives of strategy theory, practitioners are then in a position to appreciate the emerging discipline of Strategy-as-Practice (S-as-P). Whereas long-established strategy theory addresses strategy content in a context of organisational property; i.e. a focus on something practitioners *have* (e.g. we have a “diversification strategy” or a “growth strategy”, etc.). S-as-P addresses things they physically *do* and includes topics such as the conduct of strategy workshops, communications and effective change management. The classifications for S-as-P managers and researchers are described as follows:

- **Practitioners**; those who do the work of strategy,
- **Practices**; the social, symbolic and material tools through which strategy is done, and
- **Praxis**; the flow of activity in which strategy is accomplished.

There is an undoubted need for managers and strategy officers to continue to learn the fundamentals of strategy practices that are traditionally taught in MBA schools. Practitioner's skills and the frameworks within which they are enacted however are better taught by experienced 'business warriors' than academics and this is the challenge for the future. We believe that an understanding of practitioner skills and a praxis within which practitioners work will allow managers to become significantly more effective and at the same time ensure that the strategic planning is well and truly 'worth the effort'.

About the author: Dr Paul Hunter is the founder of the Strategic Management Institute (SMI) and past partner of an international management consulting firm. Paul established the SMI upon completion of his Doctoral thesis in strategy and management and is currently developing the above concepts into a course that will contribute to the SMI's Certified Strategy Practitioner accreditation program.