



## DON'T JUST START A STRATEGY PROCESS WITHOUT THINKING ABOUT THE OPTIONS

HOW TO ENSURE STRATEGY GOES BEYOND BEING A PIECE OF PAPER WITH  
NO IMPACT

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Once top teams recognize the need to fundamentally revisit their strategy, they need to be critically aware of the key decisions in formulating the strategy process in order to ensure that the strategy leads to changes that can deliver increased performance. Trade-offs made during the design of top-team strategy workshops have major implications for creating strategic change and without enabling change, those strategies remain paper documents with no visible impact. Thankfully there is a diagnostic tool that will allow top teams to make a conscientious choice in these trade-offs.

### The strategy development process

Most organizations have an intentional strategy and undergo a process for defining it. The strategic change that is needed for strategy to translate into increased financial and non-financial performance requires managers to focus on four key dimensions: documented strategic choices, commitment to choices, coordinated action plans and increased organizational capabilities required to implement the plans. The design of any strategy process that involves workshops to build documented choices, commitment including coordinated action plans and an understanding of the capabilities required necessitates making a number of process choices early on: (1) the degree of involvement of key people, (2) the number of strategy workshop iterations and (3) the scope of issues to be explored, which has a large impact on the ability to reach a “strategic change agenda” (see Figure 1).

Figure 1: Organizational strategy development process



Although there is an understanding that the indicators for strategic change are a necessary requirement for achieving increased performance, an often-overlooked step in the strategy development process is the strategy design phase. We interviewed a number of managers from top teams that underwent offsite strategy workshops. They revealed that the strategy design process consistently involves design decisions that are often not explicit but have huge consequences on an organization’s ability to implement the agenda. The following key decisions are critical to the design of strategy workshops:

1. **Involvement – extended or focused?** What is the total number of people to be included in the workshop? What level are these people at in the organization?
2. **Issues – divergent or convergent?** How clearly defined should the scope of issues be at the beginning of the process? How much is left open for discussion?
3. **Iterations – limited or numerous?** How many iterations of the workshop should there be? Over what period?

Given there is no “one size fits all,” approach it is important to keep in mind the tensions in the design choices that have an impact on delivering not only a strategic agenda but also one that leads to a commitment to the changes in behavior that are necessary to implement the strategic choices that will ultimately result in higher performance.

## Managerial implications

Our interviews led us to the following key lessons for top-team members involved in organizational strategy development:

- Assess the starting conditions of the organization: The strategic clarity and the organization's readiness for change are two key diagnostic areas for managers to focus on even before entering the strategic development design phase.
- Make explicit choices in the design phase: Be conscious of the trade-offs being made and have upfront discussions about the consequences of certain design decisions.
- Be clear on the level of detail of the strategic change agenda you would like to create as part of the process.

Strategy design workshops should lead to a concrete strategic agenda that can be executed. If you cannot demonstrate the path to deliver on the strategy and you do not have clear outcomes for the rest of the organization, then you don't have a strategy that can deliver the expected financial outcomes. This often requires having coordinated action plans that are quite detailed and involve the perspective of multiple units, functions and geographies. There is value in bringing people together and making them take the time to think and connect with each other, particularly when there are quality inputs and decision data that flow into the process. It does, however, mean that this might be more time consuming than previously anticipated.

Beyond strategy design, leaders must consider the importance of post-strategy governance and implementation. Organizations can only implement a strategic agenda through employee engagement, which entails individuals working together over time to achieve the intended goals. The members of the top teams we spoke with unanimously agreed that implementation of strategic change is rarely straightforward, and despite years of experience, we often heard that involvement and communication have repeatedly been underestimated. While making decisions about designing a strategy are often taken "on the fly," they have severe consequences on the ability of an organization to be able to execute these choices. Issues around implementation are often a predictable result of the decisions made earlier in the strategy design process.

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