

Strategy Should Continuously Evolve

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Strategy is not an episodic event. Stuart Grief encourages organizations to turn yearly strategy discussions into an ongoing dialogue.



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Setting strategy is, in many companies, viewed as an episode--something you do and you get out of the way. In fact, in my time in consulting, I would oftentimes work with a client who would retain us to come in and help them set strategy. We would work feverishly for three to six months and deliver the strategy, and then they would work to implement, usually with some good success. But then, almost invariably, they would hit a wall, realizing that the strategy isn't applicable anymore because customers, competitors, and other elements of the market have moved on.

Similarly, when I came to Textron in 2004, we were just embarking on our annual strategic planning process where each one of our 10 businesses at the time would, essentially, share their strategies with the CEO. Again, it was viewed as an episode, as an event, that all the businesses worked really hard to get ready for. And once it was done, they were done for about a year.

The reality is that that is just not good enough in today's environment. Issues arise on a daily basis that have to be addressed. Thinking that you can have a strategy in place that will, essentially, sustain itself and continue to work for you for anything longer than a month or two months, or certainly not longer than a year, is a pretty dangerous place to be in.

That's not to say that some aspects of your strategy aren't durable and don't last for years, but it's an assumption that I think is very dangerous to make, that you can lock it up, set it aside, and live with it for some predetermined and long period of time.

The approach that I think will work a lot better for firms--and we've applied this here at Textron--is to design something that's much more continuous in nature. It's a process that recognizes when issues arise and deals with them as they arise and treats strategy as a living idea as opposed to something that's fixed. The reason this happens--and I was certainly guilty of this with some clients and Textron was here in this place until recently--is because there tends to be some confusion between strategic planning and strategy development.

There is an element of planning in strategy, which is there is a calendar that companies work to, they're on a clock. They have annual reports, annual meetings, boards of directors, and so on. And so there is the notion of planning to a calendar. That's okay, but we shouldn't confuse that with the fact that the environment that's around a business is continuously changing, and we need to keep changing and thinking about our strategy in an ongoing way, and not only think about it when we've got one of those calendar events.

One way that I've encouraged a lot of people here to think about strategy is as dialogue. The more dialogue you can have, the richer the result of your strategy can become and the more people can understand it because they've actually engaged in talking about it, debating it. To the extent that strategy dialogue happens once a year at the so-called big event, three-quarters of the time is spent re-acclimating yourselves with the story as it existed before you can start to get someplace new.

By turning strategy into a continuous process, the dialogue is ongoing. It's almost like a conversation that you can just pick up with a friend the next time you see them as opposed to reacquainting yourself with them, which is what you have to do if you haven't seen them for a year.

That's really what the benefit of a continuous strategy dialogue is: you continue to push it forward every time you engage in it. And by doing it continuously, the content, the depth of the strategy, stays fresh in people's minds.