Realising the vision must be the ultimate aim for every organisation. However, moving an organisation from its present state towards it destination is no small feat. This is made more difficult within today’s ever-changing external environment, where the path towards the goal is littered with obstacles, requiring a detour every-so-often.

The problem starts with the strategy planning being considered an event rather a process. The arduous and resource intensive annual strategy conference may seem important, but is often without significant consequences. Most of the benefits are enjoyed by the resorts hosting the event, and yet the ritual continues. The ensuing strategic objectives are not communicated effectively to the various levels below, and the middle management ends up doing as they were doing last year, but perhaps better. New initiatives are launched with fanfare, while the employees see them as little more than additional work, since they cannot appreciate the reasons or value of such initiatives. The millions spent on SWOT, industry and market analysis is wasted. Even if the organisation’s comprehension of the vision and objectives is accurate, the dynamics of today’s competitive environment mean that strategic decisions are often based either on outdated plans or middle management intuition. In both cases, the decisions will not necessarily lean towards the desired long-term results.

So, is it possible to have a dynamic, flexible and integrated approach to strategy formulation and implementation? Surely, it will take more than the current technology offerings of scorecards and performance measurement.

At this stage, it may be prudent to differentiate between:

1. Strategy reviews and financial planning: Even though financial and strategy plans are coupled, with the outputs of each used as the input for the other, here we are talking about pure strategy formulation and implementation.

2. Objectives and means of achieving them. Often managers are focused on implementing the latest business fad as an ultimate goal, without really understanding reasons behind it. Increasing customer loyalty is the objective while Customer Relationship Management is a means of achieving it. Total Quality Management is a philosophy for achieving lower costs and hence higher profits.

### The Recipe

In order to manage strategy dynamically the following ingredients are imperative.

#### 1. Alignment

Achieving alignment is a matter of bringing together different parts of the organisation into an interrelated model, such that as a whole, the organisation works towards the corporate vision.

To begin with, the organisation must be able to effectively communicate the organisations vision, mission and core beliefs, beyond a minority of the employees. To do this, they must translate the vision into strategic goals, and these goals into operational objectives (define critical success factors and tasks required to achieve the CSF) for every organisational unit and employee. This will immediately identify redundant, duplicate and low value tasks.

Along with objectives, employees need to be set stretched targets and their performance measured. There needs to be greater performance transparency across the organisation, such that progress can be tracked. It is important to note that the performance measurements here are in reference to the tasks and actions that work towards the strategy objectives with a view to managing them, rather than for performance optimization. A huge amount of effort and resources are wasted on optimizing performance for processes that often do not contributed towards the objectives.

Horizontal alignment can be enhanced by demonstrating every department’s position in the value chain, their internal clients and suppliers, the targets other departments are working towards and their progress. This allows for continuous optimization of business processes.

#### 2. Agility

Agility is the ability to respond quickly to external conditions and constantly challenging existing strategy.

There must be processes in place that allow managers to change their objectives and strategies for achieving those objectives when unforeseen circumstances arise, e.g. events of September 11, 2001 or a sharp rise in the oil prices. All employees must accept this new path of achieving the objectives instantly.
Managers should be supplied with tools that allow them to measure progress towards objectives. The tool should enable logical drill-down into the tasks and sub-tasks that constitute reaching an objective, which will allow them to pin point the current issues. They can then assess if certain tasks have not actually been performed or whether the tasks do not in fact work towards the goal. Appropriate adjustments can then be made.

The minimum requirement for the tool mentioned above is to provide real time performance visibility.

3. Employee Buy-in

Having communicated the strategy to the employees, it is important for them to understand the value of their contribution. This can be achieved to some extend by demonstrating to them the cause-and-effect relationships that tie them into the bigger picture. This information, added with external industry conditions, will empower employees to come up with new and innovative solutions to issues they deal with on a daily basis. They will then also be able and want to contribute towards the strategy planning process by setting pragmatic forecasts and targets.

4. Clear Accountabilities

Having clear accountabilities for each strategy at every level of the organisation clarifies individual objectives for management and accelerates the pace of decision making.

5. Knowledge Capital

Creating a strategy knowledge database allows for a steeper learning curve for new starters and encourages knowledge sharing, when incorporated as part of daily work. Capturing everything from detailed business processes, Cost-Time-Quality standards, human and IT resources provides a great reference for continuous improvement and future initiatives.

6. Integrated Business Platform

Having invested huge amounts of capital in business technology tools (e.g. Business Intelligence, Balanced Scorecards, Knowledge databases), effective strategy implementation remains the unachievable holy grail. Endless PowerPoint presentations showing the same information in different formats and transferring and loading data using Excel sheets is all too common.

The reason is that all these tools are created for very narrow set of specifications, which do a great job in isolation. What is required is a single business platform that focuses on strategy management and allows for various management concepts to become part of the organisation’s business processes. For example, risk management should not be a task of a specialist team from the corporate office, but part of each and every functional unit, since they are the ones closest to the action.

TheNextStep™ Solution

While most organisations appreciate what is required to achieve dynamic strategy management, there has not yet been a single simple organising concept, that can empower them to organise their complex set of issues.

TheNextStep™ is the first solution from TNS Business solutions that allows organisations to formulate, align and implement their strategy using a simple yet powerful and flexible methodology. It achieves this by using a single business management platform, that enables management to bring logic into the strategy formulation and implementation process. The methodology breaks down an organisation into:

- Values: the vision of the organisation
- Value Delivery System: the business structure composition, e.g. functions, markets, business units
- Value Proposition: the unique strategies that will bridge the gap between the Value Delivery System and the Values at each level of the organisation

The solution allows for hitherto disparate management tools (e.g. risk management, strategy measurement, strategy maps etc.) and concepts (e.g. Value Based Management, ISO9000, Business Process Optimization and more) to be seamlessly integrated, thus making strategy every employee's everyday task. It creates sustainable focus on strategic goals such as shareholder value and customer loyalty. The solution creates a 'virtual blueprint' of their organisation, in the process constructing a logical organisational structure, with clear accountabilities, and a knowledge platform to share strategy best practice across the organisation. The result is that strategy can be adjusted according to the changing internal or external variables, rather than having to wait for the next strategy conference.

The remaining question is - are you ready to take TheNextStep™?

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