

Section I

Strategy

***“Strategy is about making choices.
The essence of strategy is choosing to perform
activities differently than rivals do.”***

– Michael Porter



Strategy is defined as “a comprehensive view of all core elements of your organization that occur continuously with the benefit of maximizing productivity and profitability.” One item to note in this definition is the word *all*. A strategy is most effective when it considers as many parts of the organization as possible, including the following:

- Customers
- Financials
- Operations and manufacturing
- People (Employees)
- Processes
- Products and services
- Research and development
- Technology

In effect, each functional area, department or division may have its own strategy puzzle. However, every organization may not operate each of these functional areas. While we will not discuss the individual segments of strategy, it is important to include each part of your organization in strategic planning to ensure a consistent

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message and alignment throughout the organization. We will discuss who is responsible for creating a strategy and how to relay the message throughout your organizational areas.

We also want to emphasize the word *core* in our definition of strategy. Research and experience show that an organization’s people should focus on their strengths – what they do best – known as core competencies. While there are many facets of business, you should

focus on core elements, continuously enhance these, and widen your competitive edge. New core elements may arise over time; however, focusing on non-core elements causes organizations to lose focus.

As you consider what a comprehensive view of all core elements of your organization actually entails, try not to panic. There is a way to approach each of these core elements, to prioritize their importance and begin to comprehensively strategize a plan to make each core element more productive and profitable.

A view of these core elements suggests looking beyond today's current agenda when creating your strategy. This adds to the complexity of formulating a strategy. It has to include all core elements of your organization, and not just right now – in the future as well. And not just tomorrow – one year, three years and 10 years in the future. This process is simplified by standardizing a strategic planning process. We will explore the concept of one main objective – the idea that summarizes the deepest beliefs of where your organization is going. The main objective will drive your strategy.

Why do you and your employees show up and work hard every day of the week? It sounds like a question with an obvious answer. If you had to pause to answer it, you probably don't have one main objective. This is different than a mission or vision. It is the single concept that directs your strategy.

By the time your strategy is complete, it will be a comprehensive view of all core elements of your organization. To get to that point, we need to start big, really big, with one main objective. This concept has been described as an aligning principle that is “authentic, and that fundamentally impacts the way business is done.” It is near and dear to leaders' fundamental beliefs.¹ In turn, your strategy – and your people and customers – will fulfill this main objective.