

## **Developing a Winning Strategy**

Strategy is a concept so overplayed that it has almost lost its meaning. This is nearly disastrous as a solid strategy truly is the backbone of a successful company. In working with companies Tudog has witnessed many excellent ideas floating about without a comprehensive strategy either because the company didn't see the need to think so far into the future or simply didn't know how to develop one. This article aims to address both barriers, first by explaining why a strategy is necessary and then by detailing a process for developing a winning strategy.

### **Defining Strategy**

Once only defined as a military term, strategy in the business world has come to mean the development of a long term plan that determines which products (or services) go to which markets, the timing of their release, and the tactics to be used. A strategy is not the blueprint for operations, but rather the defining statement of purpose that imposes itself on operations, steers decisions, and represents the ultimate goals of the company.

### **Why You Need a Strategy**

The business world is extremely fast paced and daily operational decisions are based on the immediate needs of the company. A strategy places all these daily decisions into a long term context, making sure that the decisions that are made today serve the goals the company has set for itself tomorrow.

A strategy also serves some immediate interests as it often encourages people to work toward a common goal, provides a vision, balances short term and long term needs, and eliminates stress when the unexpected occurs.

By having a clearly defined strategy you are setting your company on a long term mission that will define the company and its products within the market and carve out the competitive niche that will come to define the company. Fulfilling a strategy is a long process that requires dedication and diligence. The payoff is the rewards of the successful implementation, namely, profitability and market share.

### **The Tudog Strategic Development Process**

So how do you develop a winning strategy? Tudog offers a six step program that requires self searching, market research, product evaluation, and some hard decision making. The six steps are:

1. Gather market data regarding your the current state of your market, trends within the market, anticipated market events (new product releases, anticipated introduction of new categories, pending technological advances), and competitor data (press releases, annual reports, product brochures). Analyze the data in order to understand your current market position.
2. Identify your competitive advantage. This will become the cornerstone of your strategy, as it will be foundation upon which you will enter the market and fight off competitive challenges. Understanding your distinctive competence allows you to

- think creatively in terms of how to exploit it and how to use it for the benefit of your customers and the detriment of your competitors.
3. Define the scope of your products and the capacity of your market to receive them. Basically, it makes no sense strategically to bring the wrong products to market or bring the right products but to try selling them to the wrong market. Step three requires that you synchronize the two.
  4. Make decisions on resource allocation. You will not be able to succeed without appropriate resources. Large amounts of resources dedicated to the wrong efforts is equally damaging. You need to determine what level of resources you are able and willing to devote and then determine how to allocate them. Naturally the allocation is based on your strategic understanding of what is needed to fulfill the strategic objectives.
  5. Determine what changes the company needs to make in order to implement the strategy. Changes can be procedural, process oriented, or they can be to products, the structure of divisions, and even human resource issues. Changes are some changes are needed in order to implement properly. Make sure they changes are introduced properly, assuring compliance. And make sure everyone understands not only what changes need to be made, but also why.
  6. Implement the strategy and set up systems for monitoring, on-going analysis, and strategy adjustments. No strategy is ever perfect straight from the development phase. Your strategy will be responded to by competitors, distributors, customers, and you will need to make adjustments to counter or encourage these reactions.

### **Effective Implementation**

A brief comment on effective implementation. You will not be able to force your strategy through your organization. Some changes will need to be imposed, but most can be achieved through consensus. You need to involve your entire executive team in the strategy planning phase, and include on an as-needed basis middle and lower management (they have perceptions and views of the company, the products and the market you don't have and will need to formulate the appropriate strategy). Once the strategy is defined, communicate it all the way down to the people who clean up after everyone else has gone home (unless it's an outside agency). Make sure everyone knows the strategy, the purpose of the strategy, and even how you arrived at the strategy (the considerations that went into developing the strategy). This will enhance compliance, make people feel like the strategy is their own, and make sure that the day-to-day decisions are made with the strategy in mind.

Every company needs a strategy to drive them forward, give them purpose, and provide them with an operational framework. Creating one is a difficult process, but following the Tudog six step program makes it a bit easier.