Strategy Development in a What-If World

The development of a great business strategy is necessary if your company is going to achieve great things. The development of such a strategy is often difficult because the dynamics and pace of today's business world have made things so fluid that many companies are forsaking strategy in order to be more reactive to market conditions.

Tudog thinks this is a mistake.

Certainly an element of your strategy needs to allow for flexibility and the capacity to adjust to changing conditions. Moreover, your strategy should also allow for the elasticity that will permit the Company to take advantage of unexpected opportunities.

 The development of strategy in what Tudog often calls a "what – if" world, requires making choices and considering a wide range of options. There are 4 phases of deliberation that company leaders may wish to explore as they develop their business strategy. These are:

1. The Entire World
2. The Wish List
3. The Reality Check
4. The Perfect World

Let's review each of these phases in more detail:

1. The Entire World

At this phase the Company looks at all possible options without regard for what is deemed possible. The only point of this step is to understand what the alternatives are, without imposing on these choices any other criteria such as resources or capacity. This exercise gives the company the broadest range of strategic options available.

2. The Wish List

Taking into consideration various elements such as management vision, values and objectives, this phase asks business strategists to define the company's strategy if the management had their way in a perfect world. Again, it is not the task at this phase to impose limitations or barriers, but rather to provide the company with the broadest range of options possible.

Now that these two stages have been defined, match the two and see which of the options in The Entire World match management's Wish List. Take all the others and discard them. Leave the others as possibilities.

3. The Reality Check

This is where you get to impose reality. Every company has to measure its resources and power and determine what strategy is realistic based upon these considerations. This does not mean that every aspect of a strategy needs to be based on current

business conditions or company strength, but initially the company needs to make sure that the strategy it pursues matches its ability to execute. All other ambitions can be defined as strategic events that will occur as the capacity develops, Today's strategy needs to be designed to gain the elements needed for tomorrow's purpose.

The remaining items from the matching of The Entire World and The Wish List are now compared with the Reality Check and all strategies not supported by current resources are discarded. Again, these need not be forgotten, just placed on the shelf.

4. The Perfect World

None of us live isolated from the events of our community, state, and nation. Every company needs to place itself within the context not only of its industry, but also its community. Every strategy, in order for it to succeed, must have some recognition of the responsibility the company has to its broader community. This is the perfect world and without it, your company could develop a strategy that is opposed to the core principles of its own environment. This would serve as a constant barrier to growth.

The final step in this process is to match the remaining strategic items (from the comparison of The Entire World and Wish List against The Reality Check) and see if any of the remaining items are in any way in conflict with the company's position in the community. If there are, they should be set aside.

The remaining strategic elements are genuine strategic choices for the company and are comprised of the most significant components a strategy requires; the options, management preferences, the company's capacity, and the effects of the outside world.

Strategy too often seems to be a remote concept. By using this system you will be able to make the strategy development process a more tangible practice.