

Five Common Strategy Mistakes

You've probably heard the statistic - that over 70% of adopted strategies in organisations fail. In this article we're going to dive into the five most common strategy mistakes made by business. This list of common strategy mistakes includes mistakes in both the planning and execution phases.

Front-Loading Your Strategy

We've all been there...You come up with an awesome new strategic direction for your company. You arrange a strategy off-site with your team and write down this awesome plan of action. Then....it all fizzles out within a few weeks and you're back to square one. This happens when organisations put all of their strategic energy into ideation leaving nothing behind for the long, hard execution phase. **A successful strategy builds slowly over time, and eases into becoming 'business as usual'. That means being pragmatic about the start dates for the goals in your plan and allowing yourself time and space to finish the things you're currently working on.**

Ignoring Culture

While smart ideas and dynamic strategies are great - they're worthless without the right mechanism to implement them. That mechanism is your people – from the head office to the front line. If the culture of the organization is not conducive to engagement and transparency, implementing any strategy is going to be an uphill struggle. You won't get live feedback on what's working and what's not - and the chances of your strategy truly delivering are going to be pretty slim. Make an honest assessment of your organisation's culture. Ask yourself questions like:

*Do my people feel comfortable telling me when things aren't working?
Is my plan all my own work, or has it been informed by debate and engagement with my staff?*

Take the time to address any cultural deficit you might perceive, before you embark on any kind of major strategic change.

Relying on Others to Tell You What to Do

Millions if not billions of dollars are spent on third party consultants - and often that spend relates to helping organisations with their strategies. Consultants most definitely have a valuable role to play in this regard - but good consultants will be those that help YOU come up with your own strategy - rather than doing it for you. No-one knows your business like you do - and no-one is better placed to know what will work with your people, than you and your trusted team of internal colleagues. If you're working with consultants, ask them the right questions. They can be great for helping you to find frameworks, methodologies and tools to create and execute strategy. But they shouldn't be telling you to directly what to do. Use your own people and your own experiences for that.

Thinking That 'Revenue Growth' Is a Strategy

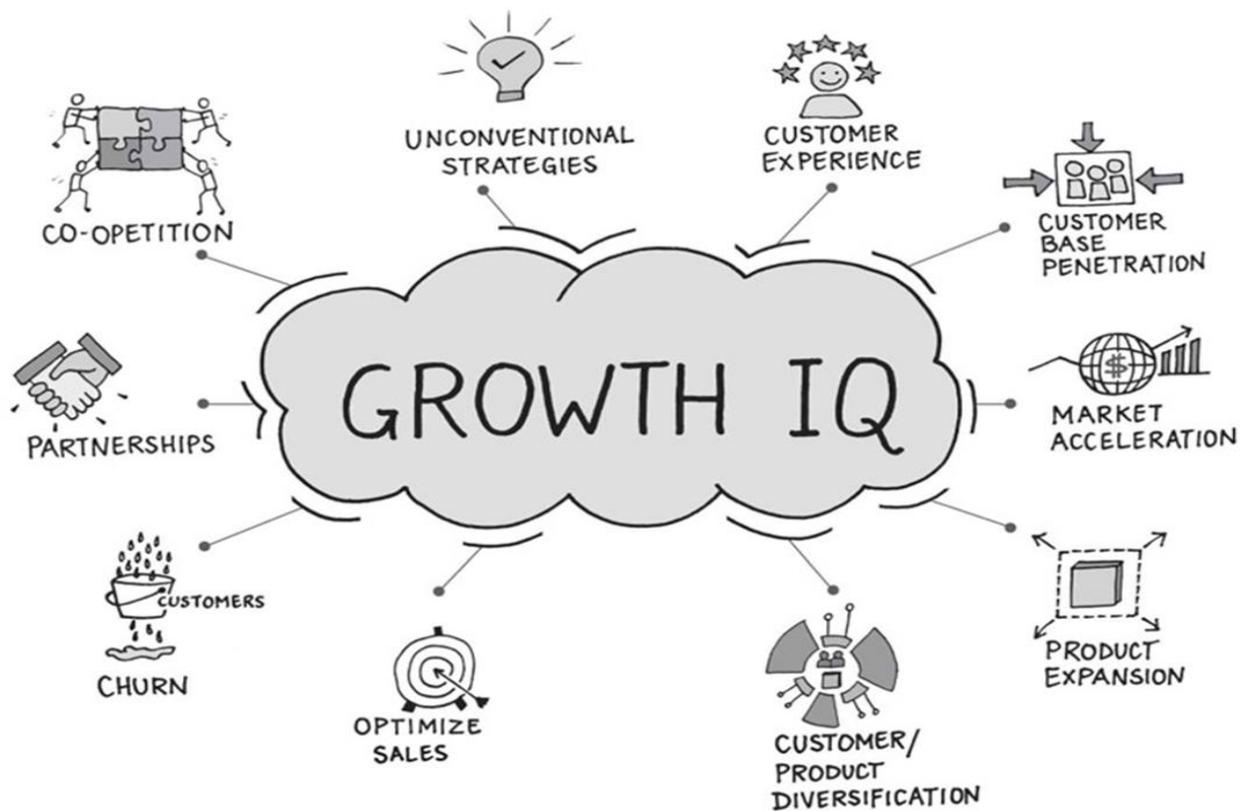
Number four on our list of common strategy mistakes involves the actual content of your strategy. So many strategic plans have top-line goals related to growth. 'Be a million \$ company'. 'Triple our revenues'. Growth isn't a strategy! Everyone wants to grow! Growth is the thing that happens when you successfully implement a strategy. **The strategy itself needs to be far more specific about exactly how your company, with your particular strengths, weaknesses and opportunities will thrive.**

Customer Experience Has Proven to be a Great Competitive Differentiator

- 68% of C-Suite executives expect organizations to **emphasize CX over products** in the future.
- 67% of customers will pay more for a great experience.
- Analysis shows that companies that excel in the **customer experience grow revenue 4-8%** above their market.
- 82% of business buyers want the **same experience as when they're buying for themselves**.



GROWTH IQ



There's nothing wrong with including ambitious financial KPIs in your strategic plan. But these form one of the measures of success rather than one of the top line focus areas or organizational goals.

Over-Complicating Strategy

You can spend a great deal of time and money on building complex strategy models and frameworks. They certainly have a place in helping to shape your thinking - **but strategy in essence is extremely simple.**

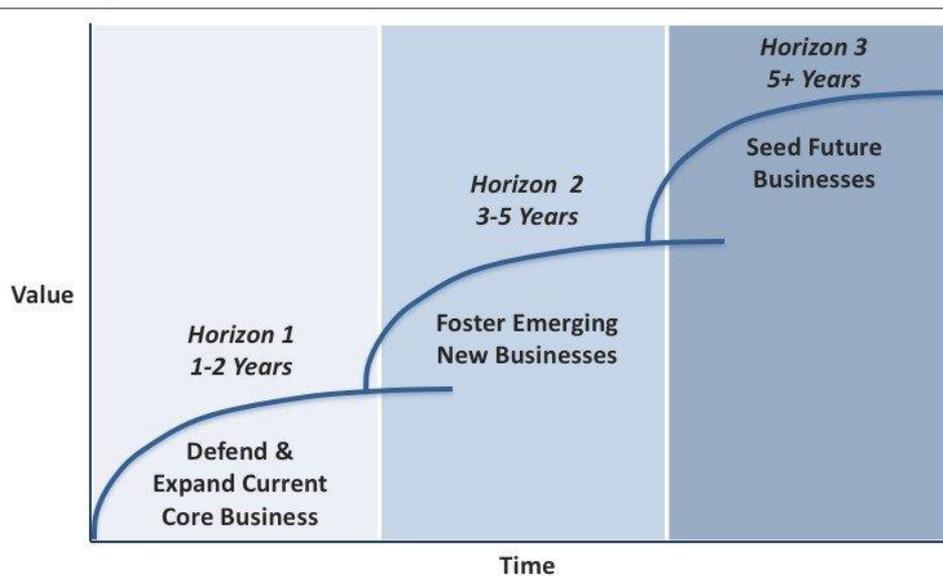
What do we need to do? How do we do it? Are we doing it?



There's nothing wrong with having some frameworks in place. But make sure that they're simple enough for everyone to understand. The moment that a strategy becomes complex and elitist, is the moment it can no longer succeed. At the absolute most, we recommend no more than two dimensions for framing your strategy.

One favourite framework tool to use is **McKinsey's Strategic Horizons** - it's simple, everyone understands it AND it makes you consider critical aspects of strategy that will help you succeed in both the short and longer terms.

McKinsey's Three Horizons of Growth



The McKinsey's Three (Strategic) Horizons of Growth model can form part of your strategic plan. **This model forces you to balance your goals between the three business horizons of:**

- *Revenue from business as usual (around 70% of your effort)*
- *Focus on broadening your revenue streams (around 20% of your effort)*
- *Focus on exploring entirely new revenue streams (around 10% of your effort)*

In Summary

In addition to our list of common strategy mistakes - the one other thing piece of advice - **is to never underestimate the importance of your people in strategic change. As the leader of strategy - you are the catalyst of change - but it's the people of the organisation that will carry your vision and turn it into reality.** Yet so often, human psychology is an afterthought to the planning process, rather than a foundation. Keeping this one fact at the forefront of your mind will help you to avoid not just the common strategy mistakes outlined above - but many more as well.

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