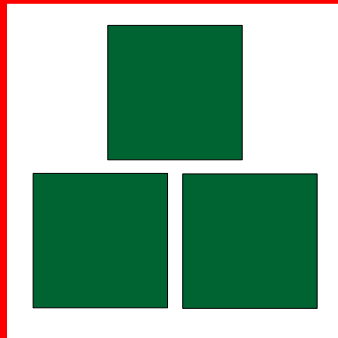


STRATEGIC POSITIONING FROM POINT TO POINT



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The strategy discipline addresses the positioning and posture of an enterprise in the marketplace so as to gain competitive, collaborative, and cooperative advantage, and to achieve performance excellence. It has both long-term and short-term components, as determined by aspirations and near-term vision. Strategy is a journey from a point of departure to a point of arrival, whether planned or unplanned.

To formulate and deploy strategy, the management of an enterprise must develop aspirations that establish direction for the long-term, and a reasonably achievable vision for the near-term. Even the achievement of near-term vision has both short-term and long-term components. Short-term components consist of "quick hits" that can be addressed immediately. They are consistent with the vision, even though some rework may be required in the future. Therefore strategy is not just about the long-term, but also about positioning that can make a difference over time.

Values and guiding principles should always be developed first because all downstream activities are dependent upon them. Values provide the basis for how the employee, customer, supplier, investor, regulator, and competitor constituencies are to be treated.

In entrepreneurial enterprises, a vision statement is developed as the ideas for products and/or services emerge. A mission statement may be developed later as the emerging products and/or services are transformed into the enterprise. Value proposition statements for both the enterprise and its products and/or services add specificity as to the benefits and features offered.

Institutional enterprises have a track record. Therefore, the development, enhancement, or maintenance of a mission statement will usually precede the development of a vision statement. It is a long process for an institutional enterprise to change its mission, and extensive planning, policy development, and communications are necessary. For example, IBM has made a transition over time from being a "computer company" to a "provider of business insight and information technology solutions, which include hardware, software, and services."

The aspirational statements provide the foundation for industry position and posture. Thus the competitive position and posture in selected markets with specific products and/or services can be determined. The performance improvement component of strategy sets the agenda for continuous improvement between breakthroughs through repositioning, restructuring, and reengineering activities.

These activities address both revenue increase and cost and expense reduction opportunities aimed at excellence. Strategy is further elaborated in constituency-based objectives, goals, and strategic initiatives that form the basis for collaborative and cooperative relationships.

Strategic plans are translated into tactical functional plans that lay out the steps for the achievement of both short-term and long-term vision.

Breakthroughs arise from cultivating innovation. They rarely result from planned events, but rather unexpected events including competitive moves. In fact, breakthroughs often occur right after the strategic plan has been finalized, when the planning team steps back and looks at its work holistically. Hence the plan is a living document, and must include a process for updates.

The time frame required for new innovations and technologies to fully mature and be common in the marketplace is about ten-to-fifteen years. For example, debit cards, mobile phones, personal computers, and even the internet have taken at least a decade to become widely accepted and used.

Hence aspirations should be set over ten-to-fifteen years, with a near-term vision over a three-to-five year period for the achievement of realistic and reachable results.

When management divides time frames for strategic plans into three-to-five-year chunks, the likelihood of success increases. With technology rapidly changing the methods by which business is conducted, even five years can be a long time. Therefore one-to-three years may be best in highly technological environments. However, management may be surprised at how long it really takes to develop new products and/or services, and for the marketplace accept them.

Most major product development projects run behind schedule. For example, the projects to develop the Airbus A380 and Windows Vista both delivered results much later than anticipated. Both the projects and the products were extremely complicated. Many software products have to migrate through several rewrites until they are usable by the community-at-large. These rewrites are necessary because of the difference between the process-orientation of the developers and the people-orientation of the users, which affects usability.

The strategy formulation process begins by rolling back the aspiration to the present. That means starting with the end-game - the aspiration itself, and management's first thoughts on getting there from the present.

Starting from the first point of departure, a strategic plan targets a point of arrival three-to-five years out. Quick hits should be identified from the point of departure to one-to-three years out.

The actual point of arrival will most likely differ from the planned point in terms of what is delivered and when. However, management can determine from that point of departure what the characteristics of the next point of arrival will be.

As new information about constituency preferences emerges, and as high order effects kick-in, mid-course corrections will be necessary, sometimes causing the original point of arrival to be abandoned. Therefore the strategy has to be enhanced or maintained, and perhaps even redeveloped.

Higher order effects are events or situations that could not have been envisioned or anticipated at the point of departure, but impact the point of arrival. They arise from competitive, economic, environmental, political, regulatory, social, and technological issues. Higher order effects often reveal where the real opportunities or threats lie.

For example, in the financial services industry, changes in regulation have enabled what was North Carolina National Bank to become one of the largest financial institutions in the world, now as Bank of America Corporation. It traveled from point-to-point through time, taking advantage of changes in the economic and regulatory conditions. It had a breakthrough when it found a way to enter the Florida market, thus opening possibilities that led to national expansion over time.

Formulating and deploying strategy from point to point is an enterpriship (entrepreneurship, leadership, and management) competency.

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About Nigel A.L Brooks...

Nigel A.L Brooks is a management consultant to entrepreneurs, business enterprise owners, executives, and managers, and the enterprises they serve. He specializes in developing the entrepreneurial, leadership, and managerial competencies that build sustainable advantage from vision to value. He is an author and a frequent speaker.

He obtained his professional experience as a partner at Andersen Consulting (now Accenture, Ltd.), as a vice president at Booz Allen Hamilton, Inc. (now Booz and Company), as a senior vice president at the American Express Company, as president of Javazona Cafes, Inc., and as president of The Business Leadership Development Corporation. He has been a contributing editor for the Bank Administration Institute magazine, and has served on boards of entrepreneurial networks. He was educated at the University of Exeter, Devon, United Kingdom.

His clients are in the financial services, food services, high-tech, manufacturing and distribution, pharmaceuticals, oil and gas, professional services, retail and wholesale, transportation, and government industries.

He has experience in North and Latin America, Europe and Asia-Pacific.

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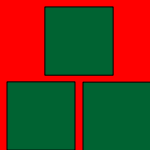
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The Business Leadership Development Corporation is a professional services firm that works with entrepreneurs, lifestyle business enterprise owners, executives, and managers, and the enterprises they serve.

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