

3 POWERS OF RAPID



CREATION

BY LARS SUDMANN

Some businesses, industries, and markets may be in recession or even crisis mode. The world is in turmoil. Why would we need a strategy in these times?

Times are changing fast, and digital transformation is putting high demands on every organization, large and small. Everything is changing in any case—and any strategy is going to be obsolete soon. So you might think, “Let’s just go ahead, and not waste time with strategy.”

While this attitude is understandable, everybody who has ever worked in business knows that it also doesn’t feel right—aimless and without focus, especially for times of crisis. Why is that? Because of the headless-chicken phenomenon. As soon as an organization enters the unknown—be it rapid growth, transformation, crisis, or other circumstances—by definition there is no real direction anymore. People don’t have direction and crave insight, but they don’t get it. When life gets disrupted, what kicks in much more often is that they run around cluelessly, trying to find answers, shouting at each other, developing things on the fly.

Strategy can help here, providing a clear direction from leadership that gives guidance and security. However, there are some problems with the classic strategy process. Strategy often sounds sophisticated and smart, but also a bit fluffy. “We need to have a strategy” is heard in meeting rooms across the globe. Strategic teams are everywhere. A great strategy is the cornerstone for every business and team, from freelancers and start-ups to the Fortune 500. But how do you create a strategy, and what does a good strategy look like?

DEFINING WHAT STRATEGY IS

A person can get lost in the sea of strategies that exists in many companies: go-to-market strategy, pricing strategy, corporate strategy, product strategy, employee strategy.

So what is strategy? In my definition, I like to paraphrase Henry Mintzberg: Strategy is a stream of decisions that has a pattern.

Everybody who creates a strategy faces the strategy/pivot dilemma: Times are uncertain, events and assumptions are moving quickly, or a crisis is hitting fast. So the big question is: “What do we need a strategy for if we’re pivoting all the time?” or “The moment we’re done with the strategy process it’s already obsolete.” If you follow such an approach, you will be lost quickly, especially if you’re running a larger organization.

As the “philosopher” and Major League Baseball player Yogi Berra once said, “If you don’t know where you are going, you’ll end up someplace else.”

But how do we create a strategy? The problem of strategy in most companies is that it is like a pendulum between two extremes. On the one extreme, there are the endless PowerPoint® decks, with 100 slides that summarize strategy. These decks often end up in the drawer after the presentation and accumulate real or virtual dust. The creation of the strategy is so complicated that the strategy itself is not really known. Managers refer to the book when asked for their strategy. There it is, with pride. But nobody really reads it or knows what to do with it.

There is another extreme when it comes to strategy, which is also popular. Fueled by need and the fact that people don’t read the strategy “book” anymore, some managers try to push their strategies into one sentence. When asked what the strategy should be, they say: “Just go out and hustle!” or “Our strategy is to sell more and spend less” (this is a real example I once heard).

While certainly short and memorable, this “plan” is not really what we have in mind either. We need a “sweet spot” of strategy, something with enough direction and specificity that it has a deep and clear direction, but also is easy enough to communicate without spending one hour talking about it.

In this sweet spot, there is strategy that is powerful enough to overcome difficult times. This type of strategy is relatively easy to create as well, and can be adapted fast. As mentioned above, in fast-changing times—whether due to rapid growth, technology change, or crisis—a company must have a strategy. This is why it’s important to have a model in mind that is fast-moving and adaptable and can be quickly adjusted. The strategy must be there to guide the organization and teams so they know where they are going, which is a fundamental key to success.

How do we best create and execute this type of strategy? By relying on three “powers” of rapid strategy creation:

- The power of frameworks
- The power of speed
- The power of internal wisdom

THE POWER OF FRAMEWORKS

All managers know the painful moments when everyone is sitting together, brainstorming and discussing everything from the competitive direction to internal audit policy. Frankly, these often can be horrible sessions, as it all feels important but nothing is really “strategy.” Instead, lots of brainstorming ideas are thrown around as the discussion goes into all directions.

The first thing to do in the rapid strategy creation process is to create a framework. As I like to say—you have to define a box and then think inside that box. All key leaders of the organization need to be versed in and agree on the process of creating the strategy. There is not one magic formula, but it’s important that you *have* a formula.

When I guide executive teams through a strategy process, I typically use these six areas as a framework:

Define the core vision. Write down in one sentence, or tweet, what you want to accomplish. Here, techniques such as brain writing can help enormously to get different perspectives.

From there, define one or two core metrics. The key questions here is: How will you know that you are successful? Is it a monetary goal? Is it something else, like a quality measure? What is the one number that you are after, and that supports that vision above? It’s the answer to the question: How do you know that you won?

Define three to seven key techniques, actions, and focus areas. How will you reach these areas? Where do you have to focus to achieve this? These are big focus areas. If it is a massive flow, it will be difficult. As Woody Allen says, “You can’t ride two horses with one behind.”

Assess and focus your resources. What is your focus in terms of how you will get there? In ancient military terms, these were your strengths areas. What will you leverage? What are your unique strengths?

Figure out what not to do. Defining three to five areas and being held accountable for those is absolutely key. I cannot stress this enough. It’s easy to say that you will focus on strategy one, two, or three. It’s hard to say no to number four when it slowly walks in the door. But saying no is part of strategy.

Define how you will measure that you are on the right path. This is where strategy and operations meet. It is the plan for the foreseeable future identifying the specific items and concrete next steps from this strategy that will be tackled.

There are other frameworks that work for strategy. The key, especially in fast-changing-times, is not to argue about the *best* form of strategy creation.

It is to define, to put a stick in the ground, and say: This is the process we are looking at, not just for one moment, but for the coming months and foreseeable future. And everybody in the organization follows it.

“Rapid strategy creation’ already offers a hint: Create a first iteration, then follow the same time-boxing methods that make hackathons successful: producing something in a short time.”

THE POWER OF SPEED

Once you’ve decided on a framework for your strategy process, you can concentrate on speed. Here, the term “rapid strategy creation” already offers a hint: Create a first draft of your strategy as quickly as possible. Create a first iteration, then follow the same time-boxing methods that make hackathons successful: producing something in a short time.

I call these iterations Stratethons—a very fast-paced development of the six key strategy areas. Always create the first draft of each of the six steps without much discussion, so that there is some kind of prototype. Then discuss this prototype. It takes a team only +/- a day to define these six fields. As one of my former clients mentioned, “We were able to produce in two days what took us three months to get into before.”

Going quickly is extremely important, as strategy discussions can easily fall apart and create endless side discussions. But the combination of the power of frameworks and the power of speed helps take this issue off the table.

THE POWER OF INTERNAL WISDOM

Everybody who creates a strategy has fundamentally two options: have the strategy done as a long-term analysis by experts or tap into the wisdom of the crowd.

The key for me is to consider two things:

- Do I really need to get outside knowledge for a strategy? (Hint: rarely)
- Do I need to get internal alignment on the strategy? (Hint: almost always)

There are significant reasons for reaching out externally—for example, if you are seeking information on entering a new geography or advice on technical strategy. However, if your focus is on seeking internal alignment, then you are better off with an internal wisdom process. It’s more rewarding, much more efficient, much faster, and costs less.



One trap that companies fall into is the “expert syndrome,” in which they get a room of experts together, either from the outside or the inside, to do long-term work and create the strategy. However, this often ends in the “experts dilemma”—long white papers that go straight into the garbage bin. Additionally, these processes usually take a lot of time. I recommend a different approach: Tap into the wisdom of the crowd of the organization.

My experience is that when it comes to strategy, it’s often not the knowledge that is missing. What’s missing is alignment. Going through a good strategy framework creates this alignment. And the best way to create alignment is via rapid strategy creation. There is also no better way to generate buy-in for a strategy than by having employees co-create it so that they can see how the process came to life.

When you tap into internal wisdom, who should be there? That really depends on the type of strategy you are creating. In general, I recommend that these key players be included:

- All leaders/lead team members
- External stakeholders (such as a board representative)
- Some experts/others with deep understanding

At least some two-thirds to three-quarters of the people represented should be those who will work with the strategy on a daily basis. Otherwise this group rapidly creates something that is out of touch with business reality. But having some outsiders can add that special touch of external input that is valuable when looking at a company’s direction. This combination brings a true diversity of thought.

COMMUNICATION IS KEY

If a strategy is to be a guiding pattern for a stream of decisions, it needs to be clear and easily communicated. The worst thing is to have a strategy and not be able to share

and communicate it. As a leader, you should always have an answer to the question: “What is your strategy?” So one of the most powerful things a leader can do in times of change or crisis is to be able to communicate your strategy fast, in less than two minutes. I want people to live what I call the “Strategy Turing Test.”

The Turing test is the famous challenge by Alan Turing on how to identify if there is true artificial intelligence. In a nutshell, the test is that if a human asks the computer questions, and the answers are indistinguishable from another human, that system would have passed the Turing test.

With a Strategy Turing Test, your team members should be able to share the strategy with another, almost indistinguishable one from another. Then you have achieved true alignment in an organization.

Whenever I work on strategy, I push people to fill in the blanks to these sentences, based on the six framework areas:

We want to create _____

For this, the one to three key figures are _____

We reach this by focusing on these areas _____

And we will leverage these things _____

We will specifically *not* do these things _____

We will start tracking progress and implementing by _____

If your leadership team, and maybe even all of your employees, can readily fill in the blanks in these sentences, it becomes very clear what your strategy is and how it can be achieved.

While detailed plans are needed to execute your strategy, they are not the strategy. If your strategy cannot be summarized in one to two minutes, it’s not a good strategy.

By going through the steps above and leveraging the “three powers,” you can rapidly create strategy and strategy alignment in an organization or team. Strategy is, of course, not a onetime event. It is a process, and these rapid alignment processes need to be repeated regularly by the key stakeholders. But the process ensures that the daily work and the daily decisions are linked to your strategy. As you are able to quickly review and pivot your strategy, you make sure that the strategy remains valid, fresh, and relevant. **AG**

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