

Perspectives on Strategy



Is your strategy going anywhere?

Much is said and written about strategy. And in many organisations, perhaps more is said and written than is done - strategy is somehow disconnected from the day-to-day realities and operations of the business. Meetings and off-sites are held, powerpoints delivered, reports written and decisions taken. But business carries on much as usual, perhaps with incremental changes, and driven largely by events. But what if 'business as usual' is not good enough?

For the effort in developing strategy to be worthwhile, it needs to connect directly to the organisation's day-to-day activities, providing a clear line of sight from strategic intent through to delivered results.

You can't do everything

Most organisations will agree that they are trying to do too much - there is an imbalance between their aspirations and their resources. And if the dilemma is not resolved, it spreads risk and lowers morale and quality throughout the organisation. A good strategy will help you to decide both what to do and what not to do, and a robust, transparent process which engages the right people in the organisation will help make those decisions stick.

■ ■ *Look, what is strategy but resource allocation? When you strip away all the noise, that's what it comes down to. Strategy means making clear-cut choices about how to compete. ■ ■*

Jack Welch, *Winning*

Unlocking the core

Many organisations feel that their room for manoeuvre is limited, with most of their resources locked into a 'core' of committed projects. It is healthy to challenge this constraint by bringing all current and proposed investments into consideration, and measuring value across them all in the same way. This can allow the organisation to unlock resources and release them to focus on significantly higher value projects.

Valuing the intangibles

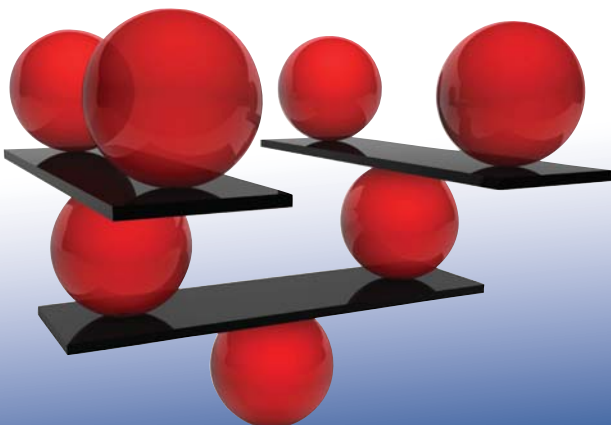
Not everything that is valuable can be measured, and vice-versa - there has to be room for both objective analysis and subjective judgement. Intangibles such as brand value and intellectual capital may make up 70-80% of your overall business valuation, and so real-world decision-making must allow appropriate weight to be given to your decision criteria, whether they are tangible or not.

What are your options?

For optimum results it is necessary to challenge the status-quo and assumptions that are often embedded in the organisation. This is where innovation and creativity come in. A wide set of potential options on the table gives higher confidence that the set of options finally selected for investment are indeed the best possible within the existing resource constraints.

Lean Strategy

What would a 'lean' strategic process look like? A fundamental principle of lean is the removal of waste ('muda') to provide smooth and value-focused process flows. Another is the principle of 'pull' in which downstream processes demand what they need from upstream processes. Applying these concepts to strategy is arguably long overdue. For example, any data or analysis, such as market intelligence, is only required in so far as it enables decisions to be made. Using a prioritisation process to determine what data and information is needed, by 'pulling' it from upstream processes, cuts waste and focuses organisational energy.



Strategic Portfolio Management



Catalyze Strategic Portfolio Management bridges the gap between strategy and operations, providing answers to the key decisions that are required in developing a robust operating plan.

- We start by establishing your strategic intent and objectives, and work with you to translate these into measures and scenarios against which your investment options can be objectively assessed
- The next step is to establish what your options are, encompassing your current committed projects and your future investments. We will challenge you to understand where you may have been constrained in your thinking
- We then engage the right people in your organisation to assess and prioritise your future plans, leading to a coherent optimised portfolio
- Measures and targets are set for the execution phase

The process is designed to be built into a regular portfolio management business cycle. The approach can readily span multiple levels in your organisation, and is frequently used to align corporate level objectives and plans with multiple subsidiary divisions.

The process delivers:

- **Alignment**, with objectives that are clear and directly linked to decisions
- **Engagement**, bringing together diverse perspectives from across your organisation, and ensuring that commitment is designed-in from the outset
- **Value**, ensuring that you focus on the right things, that all your activities are value-adding and contributing directly to meeting your objectives
- **Results**, by providing clear direction and metrics into operations



About Catalyze

At Catalyze we help organisations to achieve their objectives, by translating strategic intent into deliverable operating plans and optimised business investment portfolios. We do this by applying our expertise in strategy, with proven tools and methodologies that enable informed decision-making and establish clear organisational priorities.

Catalyze was founded in 2001 in conjunction with the London School of Economics and Political Science, and we work with major public and private sector clients on a global basis. Our processes and tools are independently endorsed by the UK Treasury and the National Audit Office.

ThermoFisher
SCIENTIFIC

MARKS &
SPENCER

THALES

3M

BAE SYSTEMS

NHS

Working with Catalyze and their decision analysis techniques has helped 3M manage the complex challenge of balancing and prioritising our strategic plan.

Chuck Kummeth,
VP Medical Division, 3M Global