

# Strategic objectives

In transforming strategic plans into tangible results, organisations may need to rethink their approach to strategy. By **Marc Stigter**

**D**EVELOPING AND implementing clear and shared strategies has been the main challenge for Australian organisations for the past five years, according to the Melbourne Business School Leadership Index. Supplementary research shows that between 70 and 90 per cent of organisations fail to implement meaningful strategic change.

Why do so many organisations struggle with developing and implementing their strategies? If so many strategies fail, why are organisations still concerned with the concept? Why do organisations not simply focus their time and resources on the daily running of their operations? The short answer is that most organisations realise that strategy is ultimately about survival.

The concept of strategy goes back thousands of years and is directly linked to the conduct of war. During the age of the Athenian Democracy, the ancient Greeks came up with the terms “strategia”, meaning generalship, and “strategos” meaning to lead an army. In the military context, strategy is about leading and mobilising troops with the objective of eliminating the enemy.

Survival is also paramount to organisations. That is why the original concept of strategy was borrowed from the military and adapted for use in corporate life.

But many organisations fail to develop and implement strategies successfully and fail to maximise returns, or worse, do not survive. In today’s environment of continuous change, fragmentation and globalisation, it is estimated that the average life expectancy of a Fortune 500 company is less than 35 years.

In Australia, it seems foolish to be speaking about survival when



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so many Australian companies are occupied with riding the current economic wave. A good question is whether the achievements of many of these companies are due to their strategy or to favourable macro-economic conditions. The economic climate gives some Australian businesses a false sense of achievement and security.

Complacency is one reason why many organisations and their strategies fail. But there are other reasons. Many strategies fail because so many paradoxes are associated with the concept.

Should strategies be deliberate or emergent? Should they be like a revolution or evolve over

time? Should the starting point be customer needs or organisational capabilities and resources? Should strategy always be about competition or sometimes about co-operation? Should it be about going global or staying local? Should it just be about profitability or about corporate social responsibilities? Should it be a rational process or a creative one? Should strategy be driven top-down or encouraged bottom-up?

Many strategies fail because organisations are still developing them in a vacuum based on their executive perspectives only. These strategies are encapsulated within a lengthy strategic document which becomes difficult to communicate,

impossible for employees to get passionate about, and unlikely ever to be implemented successfully.

Organisations can spend so much time on the strategic analysis and planning stages that when it comes to implementation, the goalposts have moved. Or so many opportunities are analysed that it becomes difficult to select the key objectives.

Given the many difficulties and paradoxes associated with strategy, what should organisations keep in mind when developing and implementing their strategies?

It’s important to be able and willing to step outside existing corporate, divisional, departmental and even personal paradigms, to see and think differently about the strategic intent. It is essential to look at strategic objectives from different perspectives, not solely in terms of internal financial growth.

Companies should start their strategic development from their customers’ perspectives and consider the value propositions they will need to offer for growth aspirations to be realised.

Companies and their management teams must prioritise their strategic objectives, keep them simple and measurable, assign clear accountabilities, and review progress.

Most importantly, strategies must be aligned across the entire organisation and employees engaged at all levels. Successful strategies require employee buy-in, because employees are the crucial factor in making beautiful strategies a reality.

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