
2.1 The Strategic Context

At the beginning of every strategy is always an impulse, i.e. either a problem or an idea, e.g.: “How can our company continue to grow in future?”, “Are we still on the right path or do we need to correct our course?” or “How can we pull out of our present crisis?” The impetus often comes from outside of the company and is driven by the competition and market situation.

A cardinal sin of many companies is to “start off” with strategy work immediately after determining the central strategic issue, without previously considering the overall strategic context. Often a seemingly clear and obvious path—in other words the first best path—is taken without sparing any thought for effective, methodological tools or other issues. This often means that more trouble is taken than necessary, and also that the path taken does not lead to the desired results.

Strategies fail because they are not thought through properly! This already begins before strategy work commences. Quite frequently models which are known or just happen to be available are used to “support” an already well-known, possible strategic alternative. This means that new strategy alternatives are simply not developed at all. In addition, the cleverest, and therefore also the most effective way to develop a strategy is not taken into consideration nor is thought given to the factors crucial to success. Methods alone do not offer a solution. They can indeed help, but can also be strongly restrictive or even useless.

The “how” of strategy elaboration determines its success or failure to a great extent. For this reason it is very important to be aware of the strategic problem, its context and the influential factors in order to think things through carefully and consequently to apply the suitable methods. In this respect the Strategy Camp is “the core” of the strategy work. Its function is to inspire you, the Strategist, to give thought to critical success factors of the strategy project and to decide for yourself how and with which tools you can best organise the strategy project.

The strategic core problem is mutually influenced by a number of factors so that it must be handled in different ways depending on the context. This means nothing

more than the fact that one and the same strategy problem can, in different strategy contexts or business situations, lead to completely different trails through the Strategy Jungle. For example, “the opening up of new business segments” in established markets means something completely different to doing so in highly dynamic and fast-moving, young markets. A company in which all the people in the strategy team are in agreement and the future path is relatively clear can follow quite a different path to a company in which the management has completely varying attitudes with regard to the further development of the business. The same also applies if a high measure of uncertainty and controversy exists within the company. Here it is imperative to follow a path through the Strategy Jungle which facilitates the mastering of uncertainty or intelligent handling of controversy among those involved. When choosing the Jungle Trail it also makes a difference, for example, whether the strategy team has a high degree of strategy competence and experience or not. The process can be developed much more effectively if the important factors are taken into consideration beforehand and if the essential levers for successful work, but also the more important brakes, are known in advance.



In the final instance the aim of the Strategy Camp is, after thorough consideration, to decide on a strategic trail which takes all circumstances and all those involved in the strategy process into account and at the same time gives them confidence in the development of the strategy and also in its implementation. The Strategy Camp gives the Strategist the opportunity of analysing the strategic context and thus avoiding the error of “falling head over heels” into the process with “any sorts” of methods in “any sort” of order on “any sort” of trail and with a “randomly” selected strategy team.

The following factors are examined as elements of the strategic overall context and explained as follows (Fig. 2.1):

1. The complexity of the strategic challenge
2. The role of the Strategist
3. The strategy competence of the “fellow explorers”
4. The attitude of the “fellow explorers”
5. The company’s situation
6. The identification of the strategy trigger
7. Strategy pressure and resources
8. The political situation

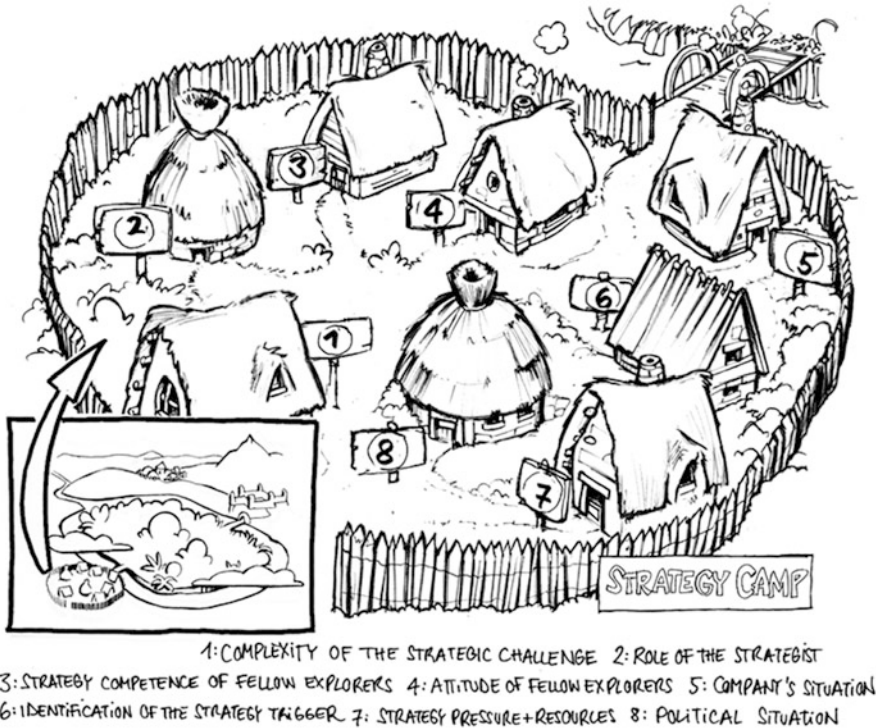


Fig. 2.1 The Strategy Camp with its factors

2.2 The Complexity of the Strategic Challenge

Clarification of the strategic complexity is important for the individual responsible for the strategy in as far as it forces a more exact preoccupation with the strategic problem. The individual responsible should clarify how complex his strategic problem is and how the connections are mutually presented. This is effected on the one hand by his becoming aware of the number of factors which need to be taken into consideration when dealing with the strategic problem and, on the other, by the degree of correlation to each other. The more complex a problem, the more difficult it is to be able to “grasp” it exactly and to also “tame” it in cooperation with the remaining factors to arrive at good options and, finally, at the best strategy variation. The problem should consequently be handled using varying methods depending on its complexity. In doing so, however, a sledgehammer should not always be used to crack a nut.

The market (customers); the company’s own resources (strengths, weaknesses) and the competition should be observed in order to determine the number of factors which play a role in the strategic problem (Fig. 2.2). Should there be more or less clarity in almost all factors or should several factors be generally reviewed? Is the

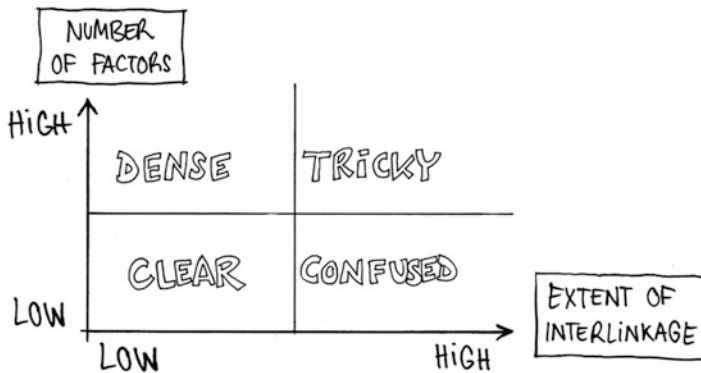


Fig. 2.2 The complexity of the strategic challenge

assessment that these things are easily tangible and can be named together with the main mechanisms of action correct? Or is this rather a case of fishing in troubled waters?

As we in the Camp wish to compile a “rough profile” of the strategic context which will, in the end, be used to assist with the selection of the right trail through the Jungle, I will be providing you with a pattern of thought, a plan, in the form of an assessment matrix in which you can classify yourself with your specific strategy problem, for each of the eight factors. The plan generalises and simplifies things but is a fairly good aid to developing a good understanding of your strategy context. I would like to inspire you to also consider the problem from other perspectives; to add others to the factors already listed; if necessary to penetrate more deeply into it and to derive consequences for the future procedure from it. You are deciding here on effectiveness and efficiency of your strategy work and the chances of its implementation.

In our model we differentiate between four characteristics of strategy complexity:

- A problem is “*clear*” if both the number of factors to be taken into consideration and their coordination is minimal. This situation is the one which it is easiest to gain an overview of. It is assumed that a company has a clear competitive environment and the competitors are obviously definable. In addition to this the stringent product range consists of a reasonable number of products. A product which has been successful to date has reached the end of its life cycle and must be replaced. Primarily the question must be answered as to which products should be in focus in the future.
- A strategic problem is “*confused*” when, although the number of factors to be considered is low, their interlinkage with each other is still high. For example, the Strategist can have clear knowledge of both the internal and the external customers with their requirements and the existing competitors are definable. Due to a drop in acceptance on the market an answer must be found as to how the

customers' requirements are to be fulfilled using the company's own resources. The number of factors which the company must focus on in this case is therefore low. However, their interdependencies are very strong. After all, the aim is not only to change or eliminate "a few" products, but, taking into consideration their own strengths and weaknesses, to make them distinctly fulfil the new requirements.

- The strategy complexity is "*dense*" when many factors need to be taken into consideration in order to find a solution to the strategic problem but these are only weakly linked to one another, be it in the number or intensity of the interrelationships. Let us assume a corporation is involved in heterogeneous business segments in very differing markets, but does not know how these business segments could fructify each other with regard to potentials, positions and competitive strength. In this case a number of factors need to be observed. However, as the markets are independent of one another and the resources are obvious, their interlinking strength is low.
- The situation is "*tricky*" when both the number of factors to be taken into consideration and their interlinking is high. In this case there is a distinctive strategic complexity. A possible situation in this context can be that, in terms of resources, a large number of factors exist which are extremely closely interlinked with one another. Their own core competences are not really clear and at the same time a clear picture of the competition situation and their performance is also lacking, i.e. the elements of their added value creation in their interlinking. In addition there is uncertainty within the company about the competitive environments and the role of the customer.

2.3 The Strategist

By "strategist" I mean the individual who has discovered a strategic problem; recognises the need for action and ensures that decisions are made and consequently implemented. The Strategist can, for example, be a shareholder, a managing director or a member of the board or even, which is quite often the case, act from the "second tier" as a member of staff or the head of a division or a business unit. The Strategist manages the strategy work either from the executive or board level, either with or in opposition to his board colleagues, or tends to act in the "background".

Depending on his position, self-conception and radius of operation, the Strategist takes on a different role and, in order to be successful, should choose a specific trail through the Strategy Jungle which differs considerably from other trails in terms of the choice of fellow explorers; the course of the project and the methods applied. Anyone who really wants to get something moving must get and keep the goal in their sights, i.e. the implemented strategy, in order not to get caught up or lost in abstractions, theories and unfavourable **constellations**.



We differentiate between the following roles or kinds of strategists:

- The *leader* has a clear vision of the future in his mind and dictates the route of expedition. Often he is a member of the executive management or of the board, sometimes even the only strategist in the top management.
- The *rebel* suspects or foresees difficulties and wishes to move something within the company to a new or other strategic position. He is not a member of the board or of the management, but rather is located on the tier below that, for example as head of a division or department. He frequently initiates strategic topics but his ideas are often thwarted or at least create very great controversy. For this reason he must take the path of “arousing” others via recognition processes.
- The *revolutionary* has a similar background to the rebel but is a member of the executive management or of the board. This can be an advantage because, for example, his thoughts are given preferential treatment or a disadvantage if resistance can be expected from the top management.
- The *prophet* tries to win others over for a new thing or new points of view. He is not a member of the executive management but mostly works one tier below and acts “on conviction”, visualising a clear, strategic position for the company from his perspective.

The *leader* has the easiest position as he approaches the strategy project with a relatively clear vision of his goal and often has the greatest influence anyway thanks to his dominating position. He is often the only individual in the executive management or on the board who is at the steering wheel of the company. The difference between the rebel and the revolutionary lies in their individual *radius of operation*: as a member of the top management the revolutionary can exert his influence more easily and is more likely to run in open doors, whereas the rebel could possibly put himself in a dangerous situation, be looked upon as a “mutineer” when advocating the strategic views which are to be encountered by those individuals in the company management. On the other hand it can sometimes be easier for the rebel to bring topics or views into play which are not particularly opportune among the members of the management. He must therefore handle the strategic process differently to the revolutionary if he wishes to be successful and convincing. Political thinking is decisive from the very beginning.

What the *prophet* and the rebel have in common is that neither belongs to the top management tier (business management, board) but exert their influence from the second tier. Whereas the rebel tends to have “bad news” to tell, the prophet would like to spread “good news”. In this respect he is less “endangered” than the rebel. However, the prophet often has the difficulty of introducing the executive

management level to completely new views and of convincing them that they should leave the worn-out, strategic tracks to the advantage of the company.

In a telecommunications company the head of corporate development had the impression that the strategy exercised by the management had not been right for quite some time. The trigger for him was a result problem which the management, however, tended to accredit to an economic or segmental phase than to recognise a trigger in it for querying the “existing strategy”. As a “rebel” the head of corporate development was not able simply to confront the management with his contrary views because it would not have had any success. For this reason he took quite different action: he suggested to the management that they “examine” their present strategy. For his strategic path he chose fellow explorers who, being sincere colleagues, shared his opinion and with political intelligence engaged consultants to expand his radius of operation in this way and thus to strengthen his position.

The Strategist’s own role or rather his self-conception in combination with the radius of operation gives him information about what type and how great his influence is on the strategy development within the company and how he must therefore organise the process. As a strategist you should also consider very carefully who your fellow explorers are to be or should be. Can you be classified rather as an amplifier or as a hinderer (“sceptic”)? What is the correct mixture? Via whom are what setting screws possible?



The Strategist should analyse his own role, his radius of operation or influence within the company and his main amplifiers and hinderers. This gives him an indication of how he should best approach his strategic problem and organise the strategic process in such a way that it also leads to results, not just on paper but looking to implementation in practice.

The Strategist is also the one who clarifies the factors listed below in the Strategy Camp and therefore sharpens the profile of his strategic context in order to be able to define the best way to elaborate a strategy. In the end the question will be: Which path should I take through the Strategy Jungle?

2.4 The Strategy Competence of the Fellow Explorers and Their Selection

The fellow explorers are those taking part in the strategy project, i.e. the group of colleagues who the Strategist either chooses or must have on board in order to elaborate a solution to the strategic problem. Indeed a Strategist can also develop a

strategy on his own—and often even faster and more coherent in its result—but he will also easily turn into a “lone voice in the wilderness”. As in the end the idea is to implement the strategy, a decision must be made concerning how many people are to be integrated in the strategy process. With regard to the problem situation, the radius should be as tight as possible but, with regard to sustainability and therefore the chances of implementation, as wide as possible. To take all those on board who are involved in the company so that they will later support and contribute towards the implementation is well meant but is often unsuccessful.

In accordance with his self-conception and his radius of operation within the company the Strategist should compile a suitable strategy team which will support him and do the preliminary work for him. The team can be made up of colleagues from various hierarchy tiers and also external individuals. A manageable number of fellow explorers who can be distinguished by their confident methodological handling of strategic topics and cannot only cope with uncertainty but can also tolerate it would be the ideal situation.

The Strategist will seldom be able to choose all his fellow explorers himself but will mostly have to fall back on an organisationally and politically prescribed circle of people which he can at the most supplement with selected fellow explorers. He must ask himself which deficits exist within the strategy team by assessing each of his potential fellow explorers with regard to their competence, both individually as well as in a team.



In his choice of his team the Strategist should consciously incite controversy as too much harmony generally leads to superficial and useless results. Good solutions arise through friction and this is created by purposely bringing friction factors into play. Correspondingly, do not exclusively select fellow explorers who are in agreement with one another but also uncomfortable, awkward people who provoke contradiction. Anticipate in any case certain feelings of resistance “running high” and when choosing your fellow explorers you should make sure that this occurs as near to the beginning as possible as otherwise the success of your strategy work will be endangered on a later occasion.

Within the team a differentiation should be made between

- Friction creators who, through the creation of controversy, have a positive effect on the strategy process,
- Drivers who march in the same direction as the strategy,
- Consolidators who ensure the combination of ideas and results and keep an eye on the goal, and

- Compensators who contribute towards the settlement of the deficits of the remaining fellow explorers in strategic method competence and “widen” the fellow explorers’ blinkers from a professional point of view—with regard to markets, customers, possible business segments, etc.

As a Strategist you should consider who you still need to counteract the strategic problem in the degree of complexity described. Here it is not only a matter of the professional, factual and methodological competence but also of the sphere of influence and image of potential fellow explorers within the Strategy Team. Thus there are people who rather tend towards the protection of vested interests and those who can be classified as “opportunity thinkers” behind whom, however, “naïve opportunists” can also be concealed. Some of them can represent a potential threat to a strategy which is yet to be developed and this should be “neutralised” by means of one or several fellow explorers with a positive attitude.

The Strategist should take the selection of his team very seriously. By no means should too many be called upon as otherwise the strategic process becomes overshadowed. Even if it is contrary to the current trend, I recommend you not to fetch “all the world and his wife” into the team because this will be detrimental to the result of the strategy work. The higher the number of fellow explorers in the Strategy Team, the more difficult it will be to produce good and constructive solutions. The optimum number of participants is between five and 12 people. Individuals who will afterwards play an important role in the implementation should also be included on the team.

In addition to assembling the necessary fellow explorers it is important to determine how high the abstraction and strategy competence of the fellow explorers and their flexibility is, as well as of the Strategist himself. In this case honesty is necessary as the Strategy Team is often overtaxed with unknown or less familiar methods and tools which in the end will only lead to strategy frustration. In case of doubt, the lack of competence in methods, moderation or strategy must be compensated by deploying external advisers.

The central questions are:

- Can those involved handle abstract strategic problems or are they more at home in operational daily business?
- Do they deal regularly with strategy, perhaps rarely or not at all?
- Are they familiar with or do they master methodological tools for strategy development or do these tend to be strange to them?
- Based on their experience and their communication skills are they in a position to adapt facts and to classify them abstractly; to listen attentively and to reflect on contents with self-criticism?
- Can they live with an unavoidable degree of uncertainty or do they prefer to examine everything right down to the minutest detail in order to feel certain?
- Are they in a position to bridge the gap between an inevitably more abstractly formulated strategy and their operational daily business?
- Can they concretely visualise anything under a “change of their business segment into a defined direction X”; can they imagine what this means for their corporate sector? Or do they tend to be unable to cope in such situations where

the vagueness of the entrepreneurial factors, such as competition, resources and customers, is too great?

- Do they have a uniform abstraction and thinking level so that discussion and decision processes function or, in case of doubt, is external support required to provide communication or mediation between the various levels?



It is not imperative to choose your fellow explorers by the fact that they bring a high degree of strategy competence with them but rather by the fact that they are professionally and socially competent and have the genuine will to develop the strategy. A weakly characterised, strategic competence can be compensated in the strategic process by choosing a suitable Jungle Trail and appropriate equipment in the next stage and, where necessary, arranging for external support in the field of leadership of the strategy process and communication. The motto is: the less strategic skills and abstraction capacity exist, the simpler must be the trail and the method.

Abstraction and strategy competence often tends to be less distinct in companies whose cycle is in the build-up or maturing phase. Some have “not yet” learned how to deal with strategy, the others “no longer do it” because their focus is more on retaining what they have already achieved. Competence is also mostly low when management has developed quickly in fast-growing segments as per the Peter principle (cf. Peter and Hull 2009). Executive management’s training and, in particular, range of experience with regard to specific professional tasks frequently make it difficult to completely query the status quo from a strategic point of view (Fig. 2.3).

A few years ago an Internet provider in a dynamic market spontaneously launched a product innovation, a genuine “star” which was positively accepted by the market and led to a rapid expansion of the business. The management had so far not paid any attention at all to strategy and did not need to either, as the product was a fast-selling item. The manufacturer’s “shirt-sleeve” attitude, preferring to proceed experimentally rather than to spend long periods worrying about strategies, was also typical for Internet providers. When the established product became more and more of a “phase-out model” some thought had to be given to new markets and products and a decision made on where and how investments should be made. Now, for the first time in the development of the company’s own business, strategic thinking was called for but first had to be learned.

The Strategist must decide on his strategy team’s identity with regard to the evaluation matrix:

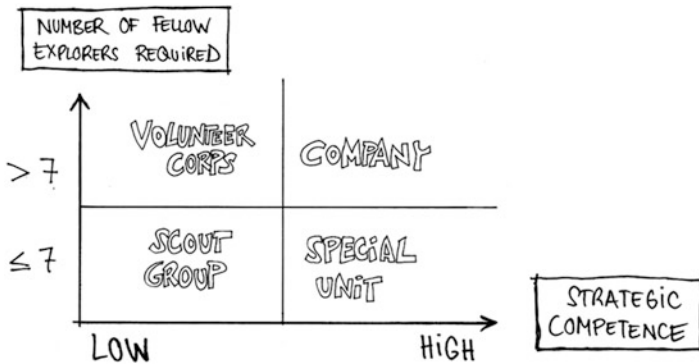


Fig. 2.3 The fellow explorers and their strategy competence

- As a strategy team the “*Scout group*” is small and straightforward but its strategy competence and flexibility is low. The process of strategy development should be kept correspondingly “flat” and equipped with a clear navigation so that the Strategist can always demonstrate to his fellow explorers the aim of a methodological application and its interlinking with other results. This way the lack of strategic competence is compensated and coherent uncertainty counteracted. Otherwise a result is simply produced more or less unsuspectingly. Alternatively the Strategist can also try to compensate for the lack of strategy competence by incorporating external individuals or employees of internal staff units. This is necessary if there is a danger of achieving suboptimal results because of a strategy approach which is too “flat”, i.e. not hitting on the most attractive strategy options. In this case a “Special unit” is formed by means of external support from the “Scout Group”. In doing so, care must be taken that the identification with decisions and the strategy is preserved thanks to an intensive integration of the fellow explorers.
- The “*Special unit*” is small and manageable, contrary to the “*Scout group*”, however the fellow explorers have a high strategy competence and flexibility. The process of strategy development can definitely be abstract without those involved feeling overstrained. After all, they can live with indistinctness and likewise with a high degree of uncertainty with regard to a large number of relevant factors which need to be observed and enacted. In addition, sufficient experience with strategy work is forthcoming so that opportunity and sovereignty in dealing with the topics and dealing with one another is ensured. No question about it, this formation of fellow explorers is the optimum one for the Strategist. Unfortunately, but understandably, this situation is not often encountered.
- The “*Volunteer corps*” comprises a large number of fellow explorers due to the professional competence required or the political necessity, which makes the forthcoming Jungle Crossing extremely difficult. Guiding a large group of people, each with different capabilities, through the Jungle is more time- and

work-consuming as far as the process is concerned than in the case of a *Special unit*. In this case everyone would manage to cross the Jungle alone and would produce good results. The true added value is created, however, by professional cooperation. On the one hand the Strategist must now inevitably cope with problems arising from decisions within groups and at the same time be able to lead the process very stringently and moderately in order to have any success at all.

- In the “*Company*” the strategic competence and flexibility of the necessary participants in the Strategy Team is indeed high but the Strategist must reckon with the classic pitfalls relating to group decisions due to their large number. If this is not counteracted there is a danger that too many capable “cooks will spoil the broth” i.e. the result.

These considerations help the Strategist to be aware of the strengths and weaknesses of his team and to draw the conclusion as to how these affect the further strategy process in order to be able to compensate them or to use them sensibly by applying the “right” method in a skilful interaction.



The choice of the team has already had a strategic significance for the Strategist himself and considerably influences the result and success of the strategy process. In as far as the Strategist can freely select his team or at least individual members of the team, he should take the following into consideration:

- The number should be restricted to 5 and a maximum of 12 if possible in order to keep the process manageable.
- The team constellation should support the Strategist and the strategic process without placing it in a specific, one-sided direction or without causing friction amongst each other as a result of controversies. “Support” can definitely also mean purposely integrating awkward people in the team as creators of friction.
- Still of importance in the team are drivers, consolidators, compensators, individuals who are later mainly involved in the implementation of the strategy, and respected individuals with great influence within the team.
- Professional and social competence has priority over strategic competence. If the latter is too weakly represented in the team this can easily be compensated by external consultants and the choice of a suitable Jungle Trail, combined with the appropriate methodological tools.

How Decisions Can Be Made in Groups Decisions are often made in groups because higher competence, more knowledge, greater diversity and different perspectives are expected from a majority of individuals than from individuals. Or it is purely a matter of securing the sustainability of the decision. But group decisions are not always better than individual decisions as research has meanwhile confirmed (cf. Braun 2010, P. 89ff.). Groups are particularly susceptible to errors if they are led by directives; do not adhere to distinct decision procedures and are constantly under pressure. In addition to this there is the group-specific tendency to mutate into a “tight-knit group” over the course of time which cuts itself off from the outside but internally ensures that no-one breaks the ranks by means of group pressure.



Typical pitfalls with decisions in groups are

- *An exaggerated readiness to assume risk*: A group is prepared to take higher risks than an individual would be—probably because the risk is distributed among many shoulders and the individual feels less responsible.
- *Overhasty consensus*: Based on the motto “But we all want the best” there is a tendency to exchange only well-known arguments and to reach an agreement prematurely.
- *Choice and assessment of one-sided information*: Discussions are always accompanied by the same, familiar arguments; new and deviating details are not demanded or sought, or they fall behind.
- *Pressure to conform*: Deviating opinions and criticism are prevented or suppressed. An unspoken diktat of harmony develops.

Experience shows that these weaknesses are not overcome until a recurrent theme is recognisable for the group, i.e. when it proceeds in a structured manner. Procedures are specified; responsibilities clearly allocated and results evaluated. Thus a cycle of orientating, planning and evaluating action is created which leads to informal and chaotic structures being abandoned and typical decision errors being avoided. The effectiveness and efficiency of the group’s work are thus guaranteed. For this reason it is immensely important that you as a strategist always provide your fellow explorers with clear navigation so that everyone is constantly aware of what is now being done for what reason and what will be the next step.

2.5 The Attitude of the Fellow Explorers

The Strategist should ask himself to what extent he himself and his fellow explorers can cope with uncertain situations within the strategic challenge. How highly is the capability to deal with the challenge rated? What degree of uncertainty do the participants feel most comfortable with as regards the competitive situation; possible developments in the environment; etc.? How great is the need to have clarity “quickly” which often cannot be provided quickly. There are companies in which the uncertainty may be high but still no-one feels uncomfortable because they are used to dealing with such situations. In mature markets the uncertainty is mostly very slight whereas it is very high in dynamic and young markets.

A company for the development and production of control units renders services for the subsidiaries within the corporation to which it belongs. The strategy team has had experience with uncertainty due to frequent restructuring within the group. With the opening up of new business segments now stipulated by the group and the softening of established contraction enforcements, the strategy team has now reached the limits of its strategy competence.

Besides the degree of uncertainty, the openness of the fellow explorers also plays an important role for new solutions. How openly or reservedly do the fellow explorers react to new strategic directions, ideas and changes? Have they even before the start of the strategic process already “zeroed in” on a certain approach from which it is very difficult to entice them away? Experience shows that it is a fact that openness becomes even greater in crisis situations as the psychological strain also contributes towards opening up for topics and connections which have tended to be neglected before. Openness is also apparent if there is, for example, general “curiosity” within the company because this makes it possible to look perhaps with frankness towards new opportunities for the future, new markets or business segments, as these do not particularly affect the status quo.

An industrial business whose “money spinner” is water pumps and filters regards the measure of uncertainty as very high. Within the strategy team there are already two new ideas for a new necessary product innovation on the market, indicating that there is openness for new solutions. The strategy team, however, is for once finding it extremely difficult to detach itself emotionally from these two ideas and to venture into unknown, new fields in order to develop and examine further possible ideas. In this context statements are continually expressed such as: “That is too abstract—we don’t understand it. What does this or that idea mean for us precisely? What should we do now?” The strategy team makes heavy weather of juggling with abstract ideas and goes through them in their minds without immediately deriving concrete actions and “to-do’s” from this for practical use. The uncertainty felt is therefore very great although it can de facto actually be classified as being too low in view of the straightforward business segment with only one and a strategically demanded innovation.

It is helpful if the Strategist classifies his fellow explorers and himself in accordance with the above matrix in order to clarify the quadrant in which the strategy team is situated and where compensation is required concerning method,

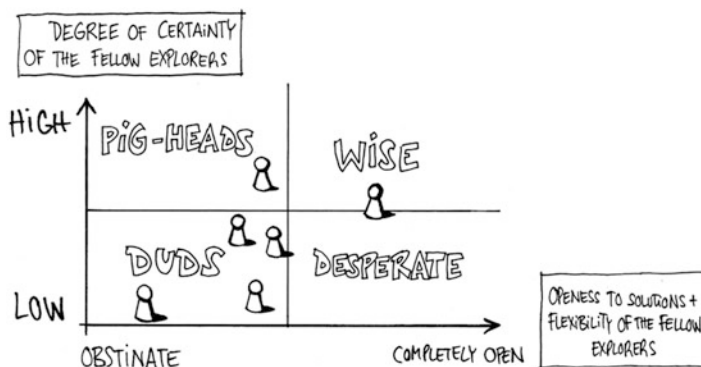


Fig. 2.4 Uncertainty and openness of the fellow explorers

personnel or content (Fig. 2.4). Even if “stereotyped thinking” is needed for this the result helps the Strategist to either change the context skilfully or to manage it purposefully.

Depending on the characteristics of the fellow explorers we differentiate between the problems/profiles of the strategy team:

- A strategy team full of “pig-heads” presupposes high moderative competences of the Strategist in order to get a grip on opinionated perspectives and controversial views and to arrive at successful solutions. On the other hand it is advantageous to have a slight measure of uncertainty in those participating.
- If the majority of the participants firmly believes in certain solutions to the strategic problem but upon closer examination of these solutions it is quickly determined how uncertain they really are, then the fellow explorers are “duds”. This term is not to be understood as an evaluation of the personality but exclusively with regard to how well thought out, sound and resilient their “solutions” or viewpoints are. Whereas the “pig-heads” can well defend their opinion logically and argumentatively, there is no real basis for the views of the “duds”. Here the Strategist has to fight on two fronts: on the one hand he must break down habitual tendencies and offer opportunities to abandon viewpoints without this involving any loss of face. On the other hand he must eliminate any uncertainty within the strategy team in order to arrive at resilient, strategic alternative solutions.
- The best point of departure for the Strategist is a team of “wise men” as all those concerned indeed have an vision, an opinion of a sensible solution, but are basically very open with regard to the result, therefore letting them be convinced of options and points of view. Where necessary, only adverse views need to be clarified through subtle moderation or brought together.
- The nightmare, but frequently reality for the Strategist, is a team of “desperate people” who are without orientation. Nobody really knows where he is going. There are also no explicit opinions and viewpoints. The Strategist must first counter the uncertainty with the help of scenarios before alternative solutions to the strategic challenge can be worked out at all in the next step.

The degree of uncertainty is closely connected to abstraction and strategy competence, but both are not identical and can also have contrary characteristics.

In the already mentioned industrial enterprise for the development and production of control units abstraction and strategy competence was low but nevertheless a high degree of certainty existed. The company's further concrete development was easily imaginable since an abundance of ideas and preconceptions of new products existed. However, it was not possible to derive or systemise these adverse views founded on the basis of strategic models and reproducible for all fellow explorers, in order to subsequently evaluate them emotionlessly.



The strategic process can be applied to systematically ensure entrepreneurial certainty and, with regard to a strategy, to provoke a decision. On the one hand it can also have the function of first and foremost drawing attention to entrepreneurial uncertainty in order to confront the existing strategic risks or opportunities. According to this the choice of Jungle Trails and the Jungle Equipment is only a means to an end and must be made with careful consideration.

2.6 The Company's Situation

The result situation is integrated into the evaluation of the strategic context (Fig. 2.5). Is there an urgent need for action and what degree of change in the market environment are we dealing with? How are the market and competitive environment changing at the moment? Are there changes in the customer and requirement structure, how is value creation changing?

If the answers to these questions are integrated into a simple model which serves as a basis for further considerations, four types of situations emerge. The factors and drivers of changes in the business environment should, of course, be carefully scrutinised during the course of the Jungle Trail.

- Should the entrepreneurial result certainty be in danger, despite the low change rate in the business environment, then the company is clearly not correctly, i.e. “weakly”, established. In this case the causes should be examined in the course of the strategic process in order to improve it. Finding the correct strategy usually means concentrating on the small “correct” proportion by strategically “purging” the business and honing its profile as seen from the outside.
- In the case of high planning certainty, combined with a slight degree of change in the business environment, the company's situation can be described as “relaxed”. It has been successful to date and can devote itself to new opportunities and possibilities without the pressure of strategic challenge. This,

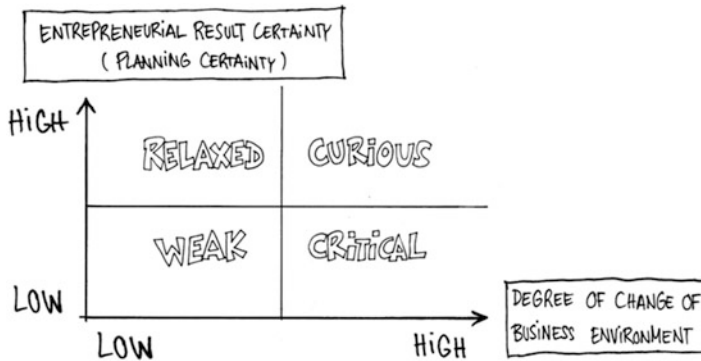


Fig. 2.5 The company's situation

for example, could be the position of an industrial group whose business segments are subject to a currently low degree of change and show a high result certainty whereas new fields of business are waiting to be processed.

- If a high degree of change is coupled with high result certainty, then this will give rise to “*curiosity*”. In this situation the company can indeed rely on good results for a foreseeable period but in the foreseeable future the business segment will be acutely subjected to considerable changes with which it must cope.
- If the degree of change is high and in addition to this the entrepreneurial result certainty low then the situation must be described as being “*critical*”. A strategic realignment in the form of “open-heart surgery” is necessary. The situation is also not good as regards the other strategic context factors observed here in the Camp. A “witches’ cauldron” can easily result (cf. also the *Klingeling* example, P. 131 ff.).

The company's situation has an influence on the further elements within the framework of the strategy profile as, for example, in a critical company situation strategy competence is imperative for successfully mastering the strategic challenge. At the same time speed is necessary here so that the required time and resources must be available.

2.7 Identification of the Strategy Trigger

In most cases a strategy project is triggered by a certain strategic problem. Strategic triggers can be extremely diverse; put simply, they can be driven positively or negatively. “Driven positively” means that it is a question of growth possibilities; of the opening up of new business fields or of the certainty in applying an already existing strategy. “Negatively driven” means that we are dealing with the avoidance of an imminent crisis or the overcoming of an acute crisis, mostly combined with great time pressure and the threat of falling short of entrepreneurial goals.

An insurance group, active in five regions of the country, determines that it has a heterogeneous product spectrum, of which some products sell well in all regions, many of them, however, in only certain regions. The strategic trigger in this case is the question: Where are we positioned exactly in the individual markets in comparison with the competition? And which strategy makes the most sense for the group as a whole?" For instance, the question remains unanswered as to whether it is better to centralise and standardise product development or to leave it in the local markets and to move the corporation forward, preferably through innovations or with a strong, uniform brand. The group would like to gain in certainty in order to be able to invest appropriately and to position itself strategically wisely overall.

An IT service provider in a large corporation has so far had the function of IT service provider for the group itself but feels a growing pressure on the part of the competition towards the internal IT segments. The strategic trigger is the question: How should we position ourselves most intelligently as a company within the group in the future? What particular benefit can we offer in order to secure our existence within the group? And, most important of all: How do we get there?

The clarification of the strategy trigger is important in order to determine whether the recognised problem is really the actual problem. Use the methodology of interlinked thinking (cf. Chap. 4, P. 63 ff.) in order to also look behind the scenes. Nothing is more futile than to focus a strategy project on the wrong problem statement. In the most favourable case the actual problem is noticed during the process and work has to start again from the very beginning. In the least favourable case, however, it is ignored because no-one wants to admit that they have already invested much time and work for nothing.



With the trigger and its clear and obvious formulation, the strategy project is defined and clearly localised. The objective must be to identify the solution to an entrepreneurial problem. This must be exactly isolated and described precisely. Anyone who knows how the problem has arisen will find ways out more easily—and in particular he can recognise critical causes earlier in future and perhaps eliminate them.

The more certainly that can be determined concerning where the strategic problem lies, how complex it is and what connections exist, the more precisely the Jungle Trail can be defined and the more rapidly the process of strategy development can be run through.

If the strategy trigger's degree of abstraction is low and the problem therefore very precisely identifiable, then its driver and trigger are also often obvious as is the case with our IT service provider. The problem is very comprehensive, complex and must therefore be tackled from several perspectives and on various abstraction levels.

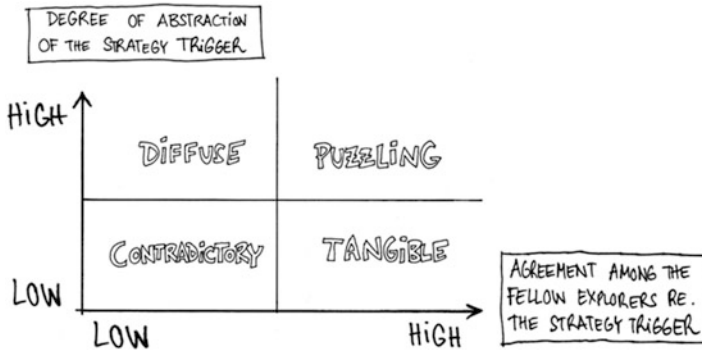


Fig. 2.6 Identification of the strategy trigger

Apart from the degree of abstraction, agreement among the fellow explorers must be checked (Fig. 2.6). Do the participants regard the same strategy trigger to be the cause of the strategic problem? Or are there very different opinions? Is there a need to first identify the problem in order to generate consensus within the strategy team with regard to the actual reasons for a problem? Or is the disharmony even advantageous and must it be integrated and processed in the development of options and scenarios?

Depending on the strategy trigger's degree of abstraction the consensus among the fellow explorers the following situations can be differentiated:

- If the strategy trigger's degree of abstraction is low (e.g. "In which business segments should we invest in future?") but the strategy team is not in agreement about the trigger, then the situation is "*contradictory*". In this case controversial views and opinions must be brought into a structure suitable for them.
- The situation is "*tangible*" if the strategy trigger's degree of abstraction is low and the strategy team is relatively agreed on this. This combination guarantees a speedy navigation through the process as all participants are pulling together with regard to sense, purpose and result.
- If the strategy team has a mutual and unanimous view of the strategic problem but the strategy trigger's degree of abstraction is too high to enable the problem to be tackled clearly with few reasons, then the situation is "*puzzling*". For example, it is clear to all participants that dynamic, sound expansion of a business segment must be attended to in order to be successful in that field in the near future and in the long term. However, none of them knows the reason why the expansion has not functioned well so far. They must first together make the main connections, key factors, perspectives and effects transparent in order to comprehend the actual strategy trigger. Only when these connections are known can the problem be solved.
- In a "*diffuse*" situation a high degree of abstraction of the strategy trigger is coupled with a low degree of agreement within the strategy team as to whether the strategy trigger is also really "the lever" for the solution of the strategic problem.

2.8 Time and Resources

The time available for strategy development and implementation depends on how complex the strategic problem is; on how challenging the strategic context and how strong the operational pressure for speedy action is. In a latent or acute company crisis there is only little time available. The chosen path towards strategy development must allow for this.

The Strategist must pose the following questions, which have an influence on the shaping of the strategy process:

- How great is the strategy pressure? Must the strategy be ready by a certain deadline?
- How much work time and how many resources (personnel, external support) are available for the strategy process?
- How much time can the fellow explorers spare for the strategy development outside of their daily business?

An honest answer to the questions is important from the beginning. There is otherwise a danger that the strategy process soon “gets grounded” or stuck and cannot be brought to a successful conclusion.



In an honest analysis the Strategist will very often discover that he does not have, or will not be given, enough time and resources for his strategy project. Instead of doing without development of a strategy altogether it is in such cases better to apply the energy available in a more concentrated and focused form.

The whole process must thus be conceived of as a “slender” project so that a successful conclusion is possible. This can be effected by choosing a suitable strategic path and suitable tools and methods. The path must be correspondingly “steep” in order to lead the strategy team to their goal as quickly as possible and the deployment of the tools should not be too elaborate and complicated, but rather must take into consideration the tight resources but also the strategic problem (Fig. 2.7).

Time and resources on the one hand are set off against the strategy pressure on the other. “Strategy pressure” means How strong is the pressure to act strategically? Strategy pressure is not identical with result pressure. Result pressure is caused when there is an operational problem which can also occur when the company is strategically well organised. Result pressure can be alleviated by operational

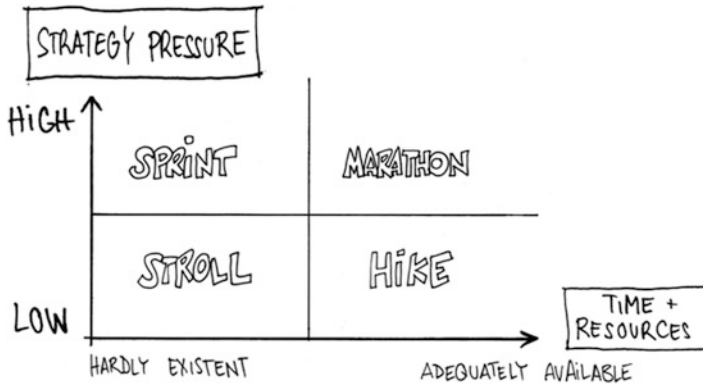


Fig. 2.7 Strategy pressure (deadline) and work time (resources)

measures, e.g. an increase in efficiency or cost optimisation. Strategic action pressure exists when the company is basically endangered and sees better possibilities for its own positioning. Strategy pressure often becomes obvious through result pressure but this is not necessarily the case.

Depending on how much work time and resources are available and how strong the strategy pressure is, four characteristics can be differentiated:

- “*Stroll*”: The strategic pressure to take action is low so that there is no deadline pressure for the strategy work. To cope with the strategic challenge the few available resources should be concentrated on the most important methods and tools in order to master these at a high degree of abstraction. To do so, however, the measure of felt uncertainty should not be too high and there must be sufficient strategy competence available.
- “*Hike*”: Sufficient resources are available and pressure is low—really the ideal situation for the development of strategies. The strategy team has enough time to devote itself to the strategic challenges and can occupy itself without pressure and intensively with the necessary tools and methods.
- “*Sprint*”: If strategy pressure is high and there are only few resources available, then the Strategist must proceed speedily with his team through the Strategy Jungle in order to arrive at a solution to the strategic problem under the prevailing circumstances. In this case it should be taken into consideration that this is only possible if the characteristics of the other elements in the strategy profile allow this.
- “*Marathon*”: If sufficient resources are available the strategy work can be carried out even under high pressure in a short space of time and very intensively in the form of a “marathon session”.

An established energy company which was searching for new fields of business had sufficient time and resources available and the strategy pressure was low. It was thus possible to take time to analyse possible business ideas and check how much potential was behind each one of them or rather how attractive they were for the company. The Jungle Expedition trail (Pleasure Garden) was chosen for the

“hike”. The trail primarily remains in the Scenario Park and was ideal for this company (cf. P. 149 ff.).

2.9 The Political Situation

In principle a strategy always means something new; a new, unique, desirable position of a company. This is constantly linked to a change in the status quo which challenges resistance. Where there is no resistance, where no “Holy Cows” are slaughtered, there are no real changes. The conclusion is clear. In an analysis of the political situation the Strategist contemplates where resistance can emerge in the course of the process.



As a strategist you should ask yourself whether and to what extent you integrate resistance in the strategy development and possibly forestall it. In my experience it is best to ignore resistance in strategy work for the time being. A strategy should never be a compromise. Compromises are reserved for the implementation of the strategy, not its development. However, this is not always realisable. As a strategist you should draw the necessary conclusions for the development of the strategy project, the trail through the Jungle, from the political situation. The political situation issues a statement concerning the extent to which the participants are in agreement with regard to the goals and to the possible solutions in terms of possible strategic viewpoints. The focus is on questions such as the following:

- Who plays a role in the strategic process (fellow explorers and strategy team, managers, boards, proprietors, supervisory boards, works councils, etc.)?
- Which goals are each of them pursuing?
- Are they all heading in roughly the same direction?
- Or is there disharmony because they are pursuing different goals and have different interests?
- What are each individual's positioning and profiling needs?

In the case of the water pump manufacturer I mentioned that only a few individuals were participating in the strategy process. They were, however, in extreme disagreement with one another with regard to the future orientation. The result was a “faltering” procedure. In this situation it was necessary to choose a rather “gentle” trail through the Jungle which, on an understanding level, included all the participants with their viewpoints and sounded out various strategic

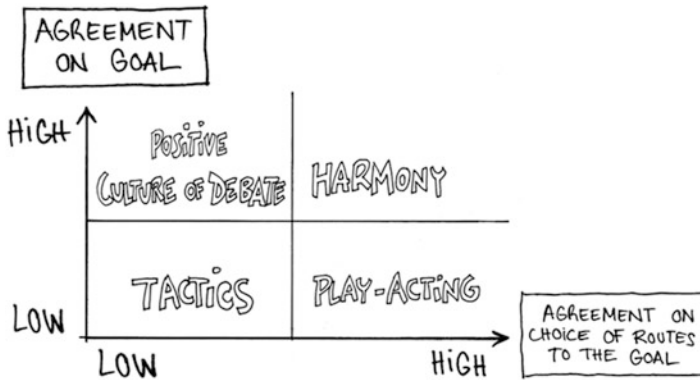


Fig. 2.8 The political situation

possibilities for the further procedure without proceeding too briskly or provoking unnecessary confrontations with methodically “hard” competition systematics.

The assessment of the political situation provides the Strategist with information as to whether he must establish goal agreement with the appropriate tools before beginning the strategy development process or, supported by a corresponding procedure, he should demand no decisions and viewpoints from the participants for the time being but keep the strategy process open for as long as possible. The assessment also gives an indication as to whether a strategy process will lead to success at all (Fig. 2.8).

The political situation can be characterised as follows:

- *“Tactics”*: Each of the fellow explorers pursues his own goal and also has a solution for it so that there is a low degree of agreement on the goal and the solution. The attempt to compile a mutual strategy can quickly fail in this constellation. In order to counteract this the Strategist must first establish consensus on the company’s goals and only grant the participants the possibility of taking up viewpoints late in the course of the strategy process.
- *“Play-acting”*: Should the team tend towards low agreement on a goal coupled with high agreement on a solution, the strategy work becomes strenuous for the Strategist because it means that consensus is indeed simulated but this does not really exist in terms of goals. The result is a non-resilient and therefore non-realizable strategy. The Strategist must thus try to establish agreement on the goal and, in addition, break through the simulated agreement on a solution. The situation usually requires competent, provocative external support ensuring that all cards are put on the table before commencing with the actual work.
- *“Positive culture of debate”*: The best conditions for good strategy work lie in a positive culture of debate. This prevails if the participants agree on their goals, for example to achieve capital returns of 9 % and to achieve service leadership, but see various ways of accomplishing this. Should a high strategy competence also exist among the fellow explorers (“Special unit”), the Strategist only needs the tools most important to him and a clear structure in order to be successful.

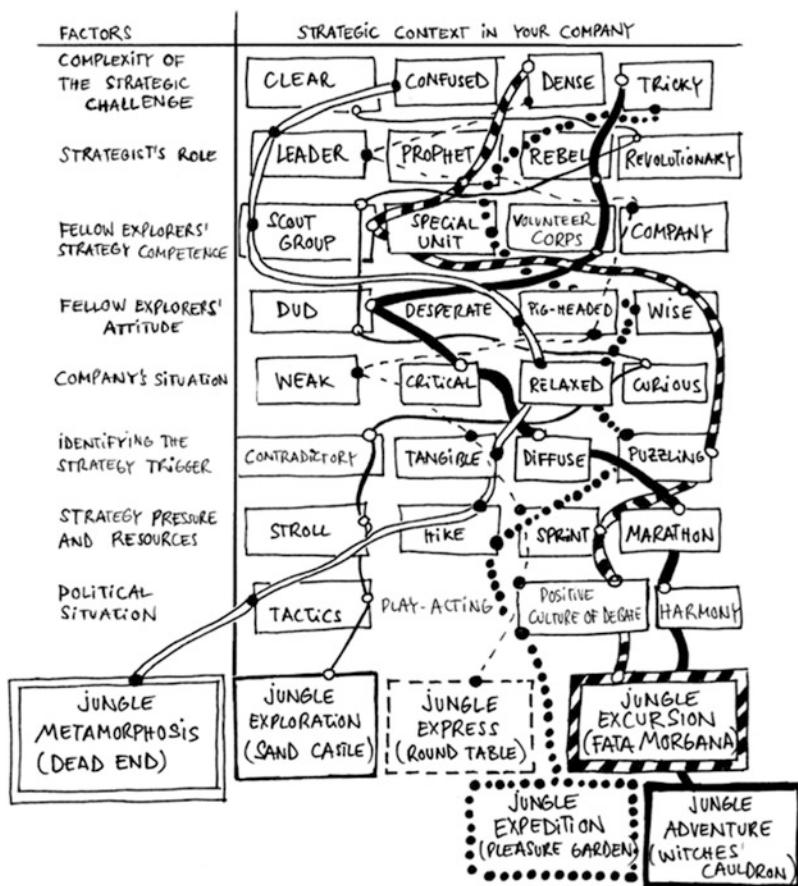


Fig. 2.9 Examples of possible strategic profiles

- *“Harmony”*: It is true that this constellation includes a high degree of consensus on the goals as well as on solutions but the lack of controversy can quickly lead to unusable results. In a group of “yes individuals” each one confirms the statements of the other and whitewashes these. In this case the Strategist must try to purposely establish a constructive disharmony and controversy by, for example, using deploying the scenario management tool (cf. P. 71 ff.) or choosing the fellow explorers accordingly.

2.10 The Strategy Profile

Once you have become familiar with the eight factors of the Strategy Camp—both individually and in their reciprocal dependencies—you will have recognised which factor influences the shaping of the strategy project. In Fig. 2.9 you will find, as an

example, six profiles which correspond to six Jungle Trails. These profiles represent only a selection as there are more than 4,000 possible profiles in this simplified model alone—an indication of the absolutely infinite complexity which is inherent in every strategic challenge and its context. It is not my aim to illustrate these in their entirety in the book. You should become aware how decisive it is for the success of your strategy work to consider these factors in order to carry out your strategy work in an intelligent, effective and simultaneously efficient way.

It is most improbable that one of the six profiles and thus also one of the six strategy paths described below will fit your problem and your situation a hundred per cent. In any case you should determine your special profile by marking the factor which best corresponds to your strategic context on every horizontal line of the above chart. If you connect the individual fields you have marked you will arrive at your individual strategy profile and thus an indication as to which path can be the most suitable. There is no such thing as a “perfect” path, but there are more or less suitable paths.

The six paths illustrated in the diagram, i.e. Jungle Express, Exploration, Excursion, Metamorphosis, Adventure and Expedition, are introduced in detail in the second part of the book, each on the basis of a concrete case study.

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