



how strategy experts can practically add value to the organisation

What is the point of the strategy function when the 'what' and the 'how' questions are increasingly pointed at operating units and departmental functions? As a group's strategist, what can you do when your purpose is clear but your power is ambiguous?

Almost thirty years of working with strategy directors, strategy consultants and executive teams has generated an understanding of how the strategy expert can add value. During a stint in a retained position in the Toulouse headquarters of Airbus Group a new model emerged, a set of roles and processes that were value-adding for the firm, in alignment with colleagues in operating positions, and true to the personal capabilities and motives of the talented individuals that work on strategy. The learnings have been

transported and tested in other corporate settings, including a number of fractional positions as strategy director. The result is a sophisticated and practical set of roles for those specialising in strategy.

Eight roles for strategy experts

There are eight C roles that in-house strategy directors, and their teams, (SD) can select from in order to add value. Are your strategy experts making the most of their position to benefit the business in these ways?

Creator. Developing a strategy for the firm is the obvious place to start, but this role must stretch beyond formulating



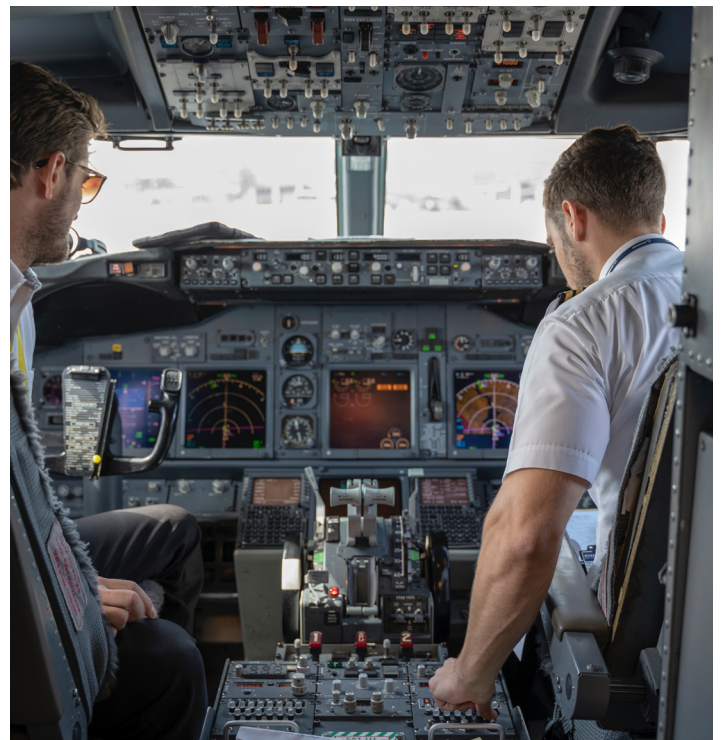
answers to encompass exploring new questions. As ‘Creator’ the purpose of the SD is to stimulate the thinking of the senior team and the management community with ideas and proposals for future strategic direction. Stale Vestersjo, head of strategy at Airbus Group, made it clear: “We want a steady rhythm of 1,000-word think pieces and white papers. We must be the agitators.”

Alongside this, of course, the SD undertakes acquisition plans and annual reviews of the group business portfolio. SDs should be proactive and provocative. They should use the best techniques for creating options from the analysis undertaken, leverage internal ideas, and select innovations from other firms and industries. When the executive team starts to collect preferred strategies, the SD should be able to organise them, reconcile them with existing ideas, assess them and proffer solutions.

Central intelligence. Of course, all strategy must be based on facts and analysis. As the firm’s ‘Central intelligence’, the SD adds value by drawing on external and internal sources of what’s happening with markets, competitors, technologies, and collecting and distributing it. The SD’s role is to ensure the facts are known, in the right hands, and used at the right time. As one CEO said: “Strategy needs to be kept honest.” So the mission here is to guarantee an objective, fact-based assessment of assumptions made in the plans. Gathering intelligence and performing analysis often require specialist skills, so it may be valuable to task the SD with developing the capabilities of the group. In a technology firm I worked with, its SD was charged with circulating to management ‘early warning’ notes about emerging developments, as well as lengthier, routine assessments of key markets and rivals. Meanwhile at Airbus, a key to success was building the network of people across the organisation who worked with intelligence.

Challenger. Ideas need to be as strong as possible, wherever they come from. As businesses formulate their strategies, the SD should be brought in to challenge the plans by posing counter arguments to stress-test and improve thinking. And when group strategy is discussed in the board room, the CEO and executive team should lean on their SD to ensure that the interrogation of any given proposal is a pointed one. SDs should be the lead ‘Challengers’, positioning themselves with business units as a constructive yet critical friend – the first hurdle to cross.

This role is a difficult one to pull off. I have learnt that the ‘Challenger’ role needs a delicate touch. SDs who unexpectedly blow the whistle in the board room will find themselves barred from future BU invites. The SD must be positioned as part of the process of strengthening ideas, by giving transparent critique and holding up the mirror to strategies well before they reach board level.



Custodian of standards. Organisations deserve the very best disciplines in strategy making. As the ‘Custodian of standards’, the SD should research, propose and design the way strategy will be formulated, translated into actionable plans, monitored and reviewed. The SD should establish the standards, processes and schedules, and then monitor how well the process is working, ensuring that the intentions for the process are being achieved, and keeping everyone on track. Just as our finance departments manage the budgeting, forecasting and financial governance processes, our SD should ensure our processes for strategy development and monitoring have the same standard of rigour. The SD must have the credibility to play this role; in a European travel group I witnessed less than full compliance with the imposed requirements of the strategy development process when the central team gave the impression of having conjured up an arbitrary set of forms and deadlines.

Consultant. With skills in strategic analysis, formulation and implementation planning, the SD should be a useful resource to the divisions and BUs, and team members should be prepared to offer themselves as consultants. This requires SD team members to be seen as helpful and unthreatening to managers in the business. To get there, the SD should be prepared to work to the agenda of their new ‘clients’ and respect all confidentiality. Back at Airbus, Vestersjo acknowledged just this, saying: “Suspensions that such work may be used by an SD, a ‘spy in the camp’, can become an issue and this only reduces with experience. That’s why we invested time in building personal relationships between my team and the divisions.”

Connector. The strategic position of a multi-business group can sometimes be strengthened through connecting divisions or BUs which have similar, or complementary, goals or capabilities. In this situation, as 'Connector', the SD can usefully supplement the encouragement of the CEO to link across reporting lines. Work includes identifying opportunities for beneficial linkage, securing agreement to pursue such connections, developing the processes for maximising these benefits and building the relevant relationships. Examples may include: projects to look at new businesses, technologies that draw on multi-divisional inputs, or ongoing campaigns to align international strategies.

Catalyst. Long-term success for firms in many industries relies on developing and securing complex strategic partnerships with third parties. The formulation of agreed, joint strategies with other companies requires skill in creating and evaluating new initiatives and business concepts. With the relevant tools, style and mindset, the SD is well positioned to lead this activity on behalf of the organisation. Unsuccessful firms in this field focus on negotiation skills and quick deals, so deploying the SD externally, to act as a 'Catalyst' for new collaborations and ventures, can result in better working relationships with potential partners, and more creative solutions. Putting this role into practice, I was deployed by Peel to develop strategic dialogue with automotive groups on behalf of the ports division: doors open more easily when long-term opportunities are on the agenda, rather than short term sales.



Change champion. Implementation is the responsibility of the business, no question. But as 'Change champion', the SD can play an important role in monitoring progress of priority projects, spotting dropped balls, keeping the senior team fully briefed, and keeping up the pressure for change when businesses naturally get drawn into business as usual. In some organisations, the SD is given a more involved role: with full understanding of the agreed and intended plan, the SD works with other departments to design, resource and oversee a programme for organisational change.

As either a monitor or as a designer of the change agenda, it is clear that the SD has a role to play in helping the organisation follow through with its strategic commitments. At Airbus, we discovered that members of the strategy team were playing this role by default, usually as a result of the specific knowledge and internal relationships of the individual. This is also a great way to plan a career leap from SD to division.

Strategy experts do not have a monopoly on strategy

Organisations need strategy experts to ensure their processes are always the best and their ideas always the strongest. They must provoke and create, connect the group, stimulate strategic dialogue with externals, inform the group and champion change.

The accomplishment of all of these roles requires a blend of capabilities in the strategy team. They need a combination of cutting-edge knowledge, interpersonal skills and personal impact. They need to know the outside world and the internal machine. They need to build relationships over time, but also need objectivity, which should not be compromised by intimacy. They need to be visionary, see the big picture and pay attention to detailed project management. These are rare combinations indeed. If we want the strategy function to play each and every role, we need to rethink how we resource the function and develop people to excel.

Or maybe you should take your pick: what is the most important role for your strategy team right now?

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