



IS 'FASTER' ALWAYS THE BETTER OPTION?

Developing strategies that deliver advantage

1. Firstly, ensure that you allocate sufficient time to developing your strategy. Take a few minutes to document the current strategy development process in your business. Can you confidently conclude that the time and manner in which this is approached reflects strategy as one of the most important processes in your business?
2. How long do you allocate to the creative part of strategy development? Additionally, does your strategy team distil what is known about the past and expected in the future to stimulate thinking and probe options?
3. How creative is your strategy development process? Using last year's financial reports and one or two SWOT charts is unlikely to deliver breakthrough thinking! (yet this is not an uncommon practice, because it reduces the time needed at those pesky strategy retreats)
4. To what extent is your new strategy evidence-based? How do you test the assumptions on which the strategy is based? Just because it's taking you into uncharted territory doesn't mean it needs to hang off a wing and a prayer!
5. How inclusive is your strategy development process? Having more people contribute in some way increases the chances both of better quality ideas and increased buy-in of the end product.

Going through the motions

John glanced over at his smart phone on the corner of the table. It was his link with real world left behind, he found himself thinking. The annual strategy retreat was turning out to be everything he had expected. A crazy two days which consumed a lot of time and didn't achieve much at all.

Mind you, it was now a lot better as a two day event. Three days previously didn't seem to generate any additional value. "Come to think of it", he reflected, "would anything change if the strategy retreat didn't happen at all? Things would be even better. There'd be more time, two whole days, to tackle the unending, busy daily grind. And time is money!"

How less became more

Time is money, and few would argue with that maxim. We are all immediately better off, essentially because the great technological progress since the Industrial Revolution has sliced significant amounts of time out of our work processes. This is true for both physical goods and intangible services.

Vast ranges of new goods and services, almost incomprehensible to prior generations, are making our lives more comfortable. Choice and availability is largely thanks to revolutionary work that reduces the amount of 'human time' needed for production.

'Commoditisation' is a frequently used term. We've saved time by squeezing out the custom elements. After all, these add complexity and, ultimately, cost. This leaves us with a simple end-product, easy to mass-produce.

But, increasing access to goods and services leads to a desire for something special, a bit different from everyone else. Advances in information technology makes mass-customisation a reality. We can get goods that are 'the-same-but-different' at an affordable price. Great evidence that business has become expert at adding value by shrinking time.

Can we time-shrink all our business processes?

But, can we *always* add value by doing things in less time? What do diamonds, great works of art, good wine and blue chip companies have in common? With few exceptions, none happen overnight. Each is forged over a comparatively long period. Their value enhanced by the passage of time.

In all cases, substitutes have been produced, in a much shorter time. Correspondingly, the substitutes are available at a lower price. Yes, they're cheaper and we can afford more! But the differences in quality are often marked. Experts are able to discern significant differences between original and substitute. Knowledgeable buyers willingly pay a premium price for premium value.

This extremely valuable insight is often overlooked in our frenzied rush to add value by squeezing time. When we do a brief reality check (quickly, to save time, of course), we know we're right to be trying to shrink time. Is there anyone who would admit they're *not* time poor? Vindication - we can create value by reducing production time. But, what about the diamonds, the masterpieces and the blue chips?

When less is not more!

Interestingly, the latest brain science on decision making warns us to be careful of the brain's tendency to go with a single plan at a time. It's a mechanism we employ to deal with incomprehensible amounts of data that continuously confront us. To make some headway, we shrink the volume of data through selective filtering. Still pressed for time, we speed things up by reducing the number of steps we take to process the filtered data.

Decision making expert, Professor Sydney Finkelstein, researched "Why Smart Executives Fail". Among the few key reasons is coming up with a solution to a problem almost instantaneously, and going with that. The major downfall is failing to examine other relevant information or other possible solutions!

Neuroscientists are also using the latest technology to confirm our intuitive sense that 'strategic', or high level creative, thinking is run by quite different areas of the brain than 'operational' thinking. Interesting, for sure. Even more relevant is that it appears we need to switch one off in order to access the other. High quality strategic thinking doesn't fare well in a short retreat where operational issues continually intrude in people's minds.

Allocating time according to importance

With the ever-present quest for speed, UGM is unsurprised by McKinsey's 'Global Survey on Strategy' findings. High performing companies, "spend more time developing strategy, review strategies more frequently, and are much better at eliminating barriers to implementation". Furthermore, senior leaders in only one in seven companies currently spend more than 15% of the time on strategy, even though three times as many felt that much more time is needed.

A strategy should be an organisation's high level plans for successfully leveraging competitive advantage. Additionally, research shows that creating an excellent strategy (which includes the implementation plans which will make it work) is a proven driver of value.

Why then, we are left to ponder, do so many executives spend so little time on the key value-deriving process? Chances are this is at the heart of why so many strategies are, at best, ordinary!