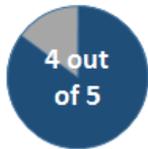


5 STEPS TO MAKING A SUCCESSFUL STRATEGY

Having clear specific business strategies is the most effective means to reach an organization's goals. Without them the organization will have a difficult time moving forward with synchronized effort. Without clear strategies any given department will be forced to focus on their own agenda with no awareness of the leader's objectives for the whole company.



4 out of 5 executives admit their overall strategy isn't well understood within their organization

Source: Strategy & survey of more than 3,000 senior executives

This guide will outline the five steps necessary to create a successful strategy and how to take them.

STRATEGY MISNOMERS

It's common for organizations to misuse the term "strategy." Often times companies use the term strategy when they are really describing a "Vision" or "Mission." Let's clarify.

A **Vision Statement** communicates what your company aspires to be. It is a mix of long-term goals and values which provide guiding principles for decision making. A vision statement will create a picture of the future that is somewhat utopian. The can be revised every few years as the business grows and changes to make sure it stays compelling and focused on the future.

A **Mission Statement** concisely explains what your company hopes to accomplish. It will include core values and have a distinct focus on the client. It should be motivational and inspiring. It is common to have a mission statement that anchors on the reason the company started in the first place. Mission statements are rarely changed unless the organization decides to completely change its trajectory (i.e. Intel's move from storage devices to computer chips).

A **strategy** explains how your company is going to achieve a business objective. The strategy is going to guide the business decisions to take action. A useful strategy will help to identify which activities should be avoided, too.

For small businesses most, if not all, of the strategies should focus on serving the customer with a product or service. As the business grows strategies that are not customer focused will include those that target operations and process. Examples of non-customer focused strategies will be given further into this paper.

Finally, the strategy statement needs to have a timeframe consistent with the service or product it provides. Most strategies should have a time horizon of 12 months or less. If the organization's industry is inherently far sighted - energy, biotechnology, aerospace, etc. - a business strategy can extend out for years.

VISION: Who we want to be
MISSION: What we want to do
STRATEGY: How we do it

CREATING A USEFUL STRATEGY

There are five steps to take when making a successful strategy: stating an **action**, assigning an **owner** or department of the business, deciding how you will **measure** success, choosing what **unit** will be used for measurement, and setting a **deadline**. You must take all 5 steps to guarantee a positive outcome.

The **action** step of the strategy needs to be as specific and simple as possible. This is going to focus your attention on the making a change. Your action can be a phrase or a single word. Single word examples include: expand, increase, improve, reach, and grow.

It's important for your action word or phrase to be naturally measurable. If the action is not measurable it cannot be used in a strategy; without a measurement your statement will be a vision or mission.

Owner answer the question of *who* will be taking the action. This can be a department or a group within the organization. The purpose of this section of the strategy is to limit the number of people executing any one strategy. This helps to maintain the boundaries set for the organization's roles and responsibilities.

Measurement gives your team a target. It clearly defines the scope of your strategy. The measurement needs to correlate with your action word or phrasing.

Tied closely to measurement is **unit**. It describes where you are going to see the results of pursuing the strategy. The unit puts additional parameters on the scope of the strategy.

The **deadline** is the final parameter placed on the scope of a strategy. A deadline within a strategy is usually tied to an annual timeframe, like a quarter or year end.

EXAMPLES & ANALYSIS

Here is a simple equation to help you craft a useful business strategy:

Strategy = action + owner + metric + unit + deadline

Here's an example of a successful business strategy for a local retailer:

We will **increase the number** of **stores** by **three locations** by the **end of Q3**.

This statement has all five ingredients of a successful strategy:

- There is clarity of what needs to be done with a clear deadline
- Any leader or employee in the organization can clearly understand what the goal is
- Everyone knows when it is to be delivered

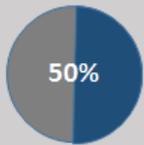


Here is a strategy statement from a logistics company:

We will **improve** distributor and/or supplier **relationships**.

This strategy does not prove to be useful because it fails to provide specific language or definitions of how they will measure success and when the measurement will take place. A statement that implies continual improvement should be explicit and tied into a company's mission or vision statement.

It is common for companies to have multiple strategies, each aligning to a specific business objective.



Half of implementers admit they do not understand the strategy they are trying to implement

This is one of eight strategy statements from a large software company:

FINANCIAL STRATEGY: **Grow** our **revenue** by **30% each year**, generating **\$1.5 million** by the **end of this year**.

In this example the company has all but one element of a useful strategy. To make this strategy statement more effective the company should include a statement of how they will generate the \$1.5 million this year. Perhaps this is implied and inferred accurately for those working in the company. However, strategies are most effective when it is clear how the team will meet a given objective.

CONCLUSION

Running a successful business requires focus and attention on specific activities to move forward. Vague or incomplete strategies hinder an organization's ability to meet their goals. Use this useful strategy formula to develop specific, measurable and actionable business strategies that align with your big goals. With determination and laser focus executing these strategies you will be able to propel your organization past the competition and achieve more than imagined.

Armour Martin Consulting LLC consults with small to mid-sized companies to develop strategies to win in the marketplace. We provide expertly crafted business solutions to solve any business need. Connect and follow on [LinkedIn](#), [Facebook](#) and [Twitter](#). Contact us directly at info@armour-martin.com.

