



# WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

## HOW TO USE THIS SPARK KIT

This kit offers you an easy way to engage in a group discussion on the topic of **Strategy in Turbulent Times**. To get started, we recommend the following steps:

- Review the recommended reading list in the **Spark Resource Summary** chart below.
- Click through the links to see complete articles and videos in Spark, OR simply read the Executive Summary and Key Points section for quick reference.
- Prepare to facilitate your discussion using the prompting questions & tips suggested on page 3.

## TOPIC OUTLINE

Think about strategy-making as a continuous process that generates a dynamic plan, and explore how uncertainty can unleash new possibilities for growth.

## SPARK RESOURCE SUMMARY

The chart below contains a carefully curated selection of Spark content to assist you in leading your discussion. You are encouraged to read the complete articles. However, for your convenience, we've also provided **Executive Summaries and Key Points** on the subsequent pages to simplify your preparation.

SPARK RESOURCE TITLE	TIME COMMITMENT
1. <a href="#"><u>Good Strategy Execution Requires Balancing 4 Tensions</u></a>	Article - 4 min read
2. <a href="#"><u>Strategy-Making in Turbulent Times</u></a>	Article - 23 min read
3. <a href="#"><u>Strategy in an Age of Uncertainty</u></a>	Article - 5 min read
4. <a href="#"><u>How to Become a Better Strategic Thinker</u></a>	Article - 4 min read
5. <a href="#"><u>Which Strategy "Comfort Traps" Are You Falling Into?</u></a>	Quiz - 5 min
6. <a href="#"><u>How a Change in Strategy Saved Best Buy</u></a>	Video - 3 min read



# WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

## PREPARATION FOR SPARK DISCUSSION

**WPO Chairs:** Share this entire document with your members ahead of your meeting and encourage them to review content.

**WPO Members:** You're welcome to distribute this within your organization to facilitate your own discussions on this subject. Please keep in mind that a paid Spark subscription is required for your team to access the complete articles; alternatively, they can utilize the provided Executive Summaries if a Subscription is not in place.

## SCOPE FOR: Strategy in Turbulent Times

The pace of change now dictates that businesses cannot effectively plan for every eventuality. The winners will learn to adapt, and reframe uncertainty as possibility, building fluid, living strategies supported by leaders and staff who can think, plan and execute well.

## LEARNING OPPORTUNITIES

- Reframe uncertainty to see greater potential and opportunity in your market.
- Explore why strategic planning methods of the past may not work in the future.
- Appreciate strategic thinking “as a set of behaviors rather than a subjective judgment” that can be instilled in many employees and not just rest on senior leaders.
- Use the assessment tool to appreciate your own Strategy ‘Comfort Traps’ and how to overcome them.
- See how Best Buy bounced back after losing a billion dollars, by increasing willingness for consumers to spend (via better shipping times) and decreasing key suppliers willingness to sell (ie make it easier for their key vendors to sell inside Best Buy stores and online).



## WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

### SPARK DISCUSSION: 30 – 90 MINUTES

Feel free to initiate your discussions with the prompting questions below. Consider adopting a round-table approach where members can share their experiences. You can also kick-off the discussion simply by asking for any key learnings from the Spark materials.

Always encourage participants to share specific examples vs theoretical responses. We tend to learn best from our peers when we hear stories of real-life experiences.

### PROMPTING QUESTIONS:

- What does uncertainty or volatility look like in your industry? How can you use it to your advantage?
- How have you adapted your strategic approach to manage in recent years?
- What is your most successful strategy to date? And how did it help you grow?
- How do you communicate strategy to your company? What tools and methods have you found most effective?
- See the article on balancing tensions (below) and perhaps pick 1 tension to explore with your group.
- Encourage participants to do the [Strategy Comfort Trap](#) assessment and discuss results.

### DISCUSSION WRAP-UP:

At the end of your group discussion, we recommend requesting key take-aways and commitments from each participant regarding their plans for implementation, along with significant insights gained. Ideally follow-up at the next meeting to check in on progress.

See the **note taking table** on the final page if you want to capture action items within this document.



# WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

## EXECUTIVE SUMMARY & KEY POINTS FOR SPARK RESOURCES

(NOTED IN CHART ON PAGE 1)

### Good Strategy Execution Requires Balancing 4 Tensions

#### EXECUTIVE SUMMARY

Implementing strategy successfully is challenging and often falls flat due to a failure to balance inherent tensions. This article highlights four core tensions that leaders need to balance for effective strategy execution. This is a good article to read in full in order to appreciate the depth of the examples.

#### KEY POINTS:

1. **Tension #1: Inspiring End-State vs. Challenging Targets**
  - a. **Challenge:** Balancing the need for an inspiring vision with aggressive mid-term targets.
  - b. **Example:** A utility company set ambitious efficiency targets but lacked a compelling narrative, resulting in staff frustration and initiative failure.
2. **Tension #2: Top-Down Control vs. Democratization of Change**
  - a. **Challenge:** Striking a balance between centralized decision-making and empowering everyone in the organization.
  - b. **Example:** A pharmaceutical company faced challenges in implementing a growth strategy due to disagreements on decision-making and empowerment, which they resolved through a balanced approach.
3. **Tension #3: Capability Development vs. Pressure for Results**
  - a. **Challenge:** Balancing the need for developing new capabilities with the pressure for immediate results.
  - b. **Example:** A global industrial products company identified capability gaps during strategy execution discussions, allowing them to strengthen critical capabilities while achieving early wins.



## WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

### 4. Tension #4: Creativity vs. Discipline

- a. **Challenge:** Balancing creativity and discipline in strategy execution.
- b. **Example:** A services business gave complete freedom to its business development function, resulting in chaos and no outcomes, highlighting the need to balance creativity with discipline.

## Strategy-Making in Turbulent Times

### EXECUTIVE SUMMARY

Here we look at the challenges companies face in crafting and executing strategies in the face of increasing volatility. The traditional strategic-planning model, relying on multi-year forecasts, falls short in today's fast-changing environment. The authors propose a continuous process for strategy development, detailing a five-step approach based on real-world examples, aiming to help companies navigate uncertainty effectively.

### KEY POINTS:

#### 1. Continuous Process for Strategy Development:

- a. Traditional strategic-planning models are insufficient in volatile markets. Rather, a continuous approach to strategy development is needed for better results in uncertain times.

#### 2. Define Extreme but Plausible Scenarios:

- a. Shift focus from likely scenarios to extreme but plausible ones to uncover new competitive strategies.
  - i. **Example:** CMS Energy's scenario planning in response to changing dynamics in the utility sector.

#### 3. Identify Strategic Hedges and Options:

- a. Emphasize the value of flexibility in decision-making using real options analysis.
  - i. **Example:** Disney's strategic hedges and options in response to the threat of streaming services.

#### 4. Run Experiments Before Locking in Investment:

- a. Encourage experimentation for innovation, setting guidelines for testing "dreamy" ideas tied to significant outcomes.



## WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

- i. **Example:** Amazon's successful experiments leading to innovations like Marketplace, AWS, and Prime.
5. **Identify Trigger Points, Signposts, and Metrics:**
  - a. Focus on identifying key factors influencing strategy and creating indicators for timely decision-making.
    - i. **Example:** Automotive OEM using trigger points related to battery electric vehicles (BEVs) to shape its strategy.  
Provide Prescriptive Surveillance:
  - b. Shift performance monitoring from retrospective analysis to proactive evaluation, considering root causes and contingency plans.
    - i. **Example:** Tetra Pak's quarterly business reviews focused on future scenarios, adapting strategy based on monitored signposts.
6. **Adapt to Change:**
  - a. Urge leaders to embrace a new mindset in performance monitoring, asking, "Should we alter course?" rather than simply evaluating past performance.
    - i. **Example:** Tetra Pak's approach exemplifies a more action-oriented and consequential performance monitoring system.
7. **Conclusion:** Despite existing tools, many executives struggle to consistently apply them to make better decisions. Companies should aim to adopt a more dynamic approach to strategy development to succeed in uncertain times, warning against sticking to traditional "plan then do" methods.

### Strategy in an Age of Uncertainty

#### EXECUTIVE SUMMARY

In the current age of uncertainty, traditional business frameworks are proving inadequate, prompting a rush of companies towards agile methodologies and transformative efforts. However, existing tools, developed in more stable times, fall short in dynamic conditions. The article proposes three key features crucial for guiding organizations through uncertainty:

#### KEY POINTS:

1. **Individual's Ability to Cope with Uncertainty:**
  - a. Organizations are led by people, and their ability to cope with uncertainty is a crucial factor.



## WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

- b. Training leaders to face uncertainty and guide others through it enhances the organization's capacity for growth.
  - c. Skills include reframing uncertainty, self-knowledge for resilience, applying effective practices, and maintaining emotional and cognitive hygiene.
- 2. The Organization's Ability to Experiment:**
- a. The shift towards non-hierarchical structures (agile, holacracy, flat) is seen as essential for fostering experimentation.
  - b. Empowering individuals to use native intelligence, transitioning to short experiment cycles, and creating supportive organizational structures are key.
  - c. Successful experiments lead to innovation and growth, as exemplified by Amazon's emphasis on being an experimental organization.
- 3. Recognize Strategy as Creation:**
- a. Strategy in uncertain environments is compared to surfing, where companies create and shape waves of opportunity.
  - b. Strategy as creation involves defining new markets, illustrated by Mercedes Benz's creation of RepairSmith to access the after-market for sales and repairs.
  - c. Traditional strategic frameworks are still relevant but need to be complemented with tools suited for the unknown in an era of uncertainty.
- 4. Emerging Approaches:**
- a. Uncertainty science doesn't invalidate prior strategic frameworks but suggests the need for different tools in the realm of growth, change, and transformation.
  - b. The three highlighted ideas - uncertainty ability, the experimental organization, and strategy as creation - are examples of emerging approaches that complement traditional strategies.
  - c. Need to acknowledge that existing frameworks still hold value but also emphasize the need for additional tools tailored for an era of uncertainty.



# WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

## How to Become a Better Strategic Thinker

### EXECUTIVE SUMMARY

The article addresses the common challenge of leaders being labeled as "tactical, not strategic," which can hinder their effectiveness. It emphasizes the need for a behavioral roadmap to transition from tactical to strategic thinking. The author identifies three core behaviors—Acumen, Allocation, and Action—essential for developing strategic thinking capabilities.

### KEY POINTS:

#### 1. **Acumen:**

- a. Involves how one thinks, focusing on understanding situations, generating ideas, and solving challenges to create new value.
- b. Comprised of context awareness, insight generation, and innovation.
- c. Questions for self-assessment include regular evaluation of the business situation, sharing valuable insights, and seeking new approaches in problem-solving.

#### 2. **Allocation:**

- a. Pertains to planning and resource distribution, involving goal-setting, risk assessment, decision-making, and creating competitive advantage.
- b. Requires focusing resources, making informed decisions, and constantly evolving competitive advantage.
- c. Self-assessment questions cover proactively reallocating resources, aligning activities with goals, and measuring against competition.

#### 3. **Action:**

- a. Focuses on the implementation of strategies, emphasizing collaboration, execution, and optimizing personal performance.
- b. Collaboration involves working with others effectively, with strong communication skills.
- c. Execution requires disciplined application of resources, combating distractions, and recognizing the strategic component in the process.
- d. Personal performance involves stewardship of time, energy, and mindset, demonstrating adaptability and mental agility.
- e. Self-assessment questions include preparedness for strategy implementation, understanding others' goals, and avoiding distractions.





## **WPO SPARK KIT: Strategy in Turbulent Times**

A curated facilitator kit for WPO Chairs and members

### **4. Strategic Fitness:**

- a. The article defines strategic thinking as possessing insight leading to advantage, emphasizing behaviors over subjective labels.
- b. Acumen, allocation, and action are identified as the key components that separate strategic thinkers.
- c. These behaviors are considered learnable and applicable, contributing to the creation of superior value.



# WPO SPARK KIT: Strategy in Turbulent Times

A curated facilitator kit for WPO Chairs and members

## CAPTURING COMMITMENTS & KEY LEARNINGS

Who	Commitment / Action	Insights / Learning
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		