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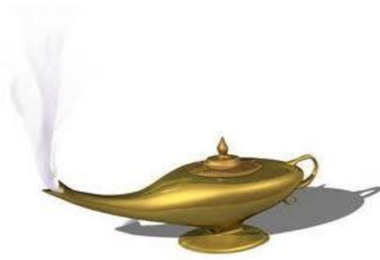

Is your corporate strategy a "Wishion"?

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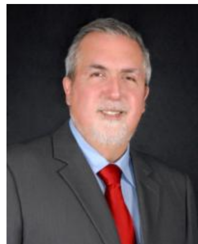

"Wishion" is not a typo. Most companies have Mission and Vision statements that are sound and well written. Sadly, when it comes to strategy, what they have is a "Wish-ion": a document that defines what the company wishes to achieve, but not how it will get there. Almost every strategy document has the word growth in it; expense reduction and productivity improvement are also favourites. These are clearly goals that do not define a strategy on their own. To qualify as a strategy it should define what the company will do, or not do, or do differently, in order to achieve different results. Furthermore, it should define strong reasons why they think the strategy will work for them. If it doesn't it is just a "Wish-ion". You can put it in acrylic, it is harmless anyway; nothing will come out of it.

The term "Wishion" was coined almost twenty years ago when I was doing my MBA at Schulich in Toronto: a student mispronounced the word vision, and said "wishion", and I found it really funny as I thought of the possibilities of this new term to define poor strategy.

It is surprising that after almost thirty years of building a body of knowledge in strategy management, with armies of MBA's learning these principles and many of them working for consulting firms, so many companies get this wrong. When nine out of ten companies fail to implement strategy, a good part of the problem is that there is no real strategy to implement.

Formulation of strategy is just the first step in the process, so nobody should expect to have a list of projects or initiatives listed on the strategy document. This should be the result of the process of translating the strategy into actionable elements: programs and projects. But the strategy needs to have enough substance in order to be translated into actionable elements.

Let's look at a simple example; Joe is the owner of a cafeteria that sells pretty good coffee for $1/cup. Joe is losing customers who prefer to spend $4 at a fancy option two blocks away. Joe is not giving up and decides to transform his business into a fancy coffee shop and use the "fair trade" banner to convince customers to pay him $4 for a cup too. For this he will capitalize on his personal contacts from years of volunteer experience building schools in Kenya and Guatemala, coincidentally countries that produce great coffee. Joe's idea is that a percentage of the revenue will go to actual projects the shop will fund, with progress visible to customers. This way they will feel good, instead of feeling robbed. In addition, he will replace the traditional muffins and pastries he sells with exotic options that are lower in calories and offer some novelty. Joe expects customers to spend more time at the store too, so he will provide amenities like Wi-Fi and plugs for laptop users at every table and small booths for on-the-go meetings. Finally, he will also grind and sell coffee in bulk. With all these changes, he expects the customers not only

to return, but also to stay longer at the store and spend more in every visit.

While simple, the example offers a well defined strategy that can be easily translated into three clear business outcomes: "average customer visits increased", "average time at the store increased" and "average spend per visit increased". Those are the key non-financial results that will be significantly different than today and, if achieved, will generate a difference in the financial results of the business.

Well defined business outcomes are a solid foundation to tackle the next set of key questions:

- Why are the current levels of the business outcome where they are?
- What do we need to do that we haven't done before to get the outcome we expect?
- What do we have to continue doing, but do differently?
- What are they things we should do that we cannot do today?
- What are the things we should stop doing?

The answers to most of the questions above are capabilities, either business or technical, that require initiatives to deliver them. And this is how your strategy translates into a portfolio of programs and projects. Instead of the traditional approach of coming up with lists of projects and assess their potential return and alignment to the strategy, this process translates the strategy into programs and projects, so alignment is no longer an issue and return is assessed based on their relative contribution to the overall results. This is top-down portfolio management.

In our example, Joe has already answered many of the questions above, but there are clearly other things Joe needs to do: he needs to learn how to buy coffee in bulk and import it, and then he needs to find suppliers and negotiate contracts, etc. All these are business capabilities Joe doesn't have today. Joe also needs to select and buy equipment to make good espresso, and also install the Wi-fi and plugs. These are technical capabilities.

If there were other Joes in the same situation, their strategy document would probably read like this: "*The central strategic trust is to increase revenue by regaining the preference of the patrons. We will achieve this as a result of superior customer service and differentiated products which, when combined, will create a unique experience for the customer and regain the position of the coffee shop of choice for the patrons in the area*". If the strategy at your company sounds like this, you may have a Wishion.

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