

“Go beyond the data”

Report on the Virtual Strategic Performance and Analytics Roundtable, November 10, 2020

Strategy managers and C-level executives have definitely learnt how to deal with uncertainty in the year 2020. Our latest roundtable session led by Jan Brannmark, Head of Corporates for Europe at S&P Global Market Intelligence, and Karel Leeftang, Chief Executive Officer at Strat2Align, provided an opportunity for business leaders to share experiences and gain insights. “How do you plan for the future if many things around you are uncertain and change so quickly and so often?” was the central question debated among panelists from a number of Fortune 500 companies.

If strategic planning can be defined as driving growth and managing risks, then these past months have challenged leaders who are responsible for navigating the direction of a company of any size. Panelists discussed current market realities and how they have adjusted their strategies in response. One large multinational is establishing longer-term operational planning cycles and changing timeframes for reviewing performance to smooth out the peaks and valleys. Another is moving away from more traditional financial-calendar planning to event-driven thinking in an effort to identify important drivers of change as they happen and determine if a business can weather the storm or not. In all cases, having large businesses broken into segments is supporting more relevant discussions based on differing market dynamics and expectations for growth and profitability. That said, there will always be certain similarities across an organization and points of integration that need to be recognized, requiring a common framework for strategic planning – even if the emphasis is different unit-to-unit.

Don't get lost in data

There's been a sea change when it comes to data. We've gone from having a scarcity of information not that long ago to being in the midst of a data avalanche, all hyped with discussions about artificial intelligence (AI), machine learning, and more. Instead of chasing data at all cost, companies need to define the business problem first and then look for the “right” data to uncover insights. Figuratively speaking, we need to know where to swim before we jump into data lakes. This is even more important in volatile times to effectively evaluate new markets, inform oversight, and measure progress.

Let storytelling inspire action

While data scientists are often fascinated by detail, it's important for decision makers to move to a higher level and find action-inspiring stories within the data in order to engage business units. Strategists and C-level managers should also look for a “hero” data point – one compelling piece of information that captures the essence of a problem and the rationale for a strategic direction to help communicate a vision and induce change within an organization. Identifying a hero data point may not be simple, but can become an important element of a successful strategy.

Get people-centered for meaningful cultural change

The culture of an organization will ultimately determine the success of a strategy. Since scale can be the enemy of change, segmentation can create more manageable parts of a large organization to help bring about a transformation. Of course, top-down mandates won't change beliefs and behaviors. People at all levels need to understand "what's in it for me" to win their hearts and minds. Effective two-way communication is also crucial to align thinking across an organization and eliminate any tensions that may exist between corporate headquarters and the field.

Partner with customers to help co-create success

The disruption caused by the COVID-19 pandemic has created a situation where historical experiences may no longer be valid to project a future outcome. A close collaboration with customers can provide additional perspectives on how a business may evolve. In addition, looking at several possible outlooks can help prepare a company for different situations. Internal and external viewpoints can be combined to put issues into one of three buckets: (1) those you need to guess at (e.g., raw material requirements), (2) those you can observe (e.g., market dynamics), (3) and, those you can take a leadership position on (e.g., this is what we confidently believe and how we will proceed). This input can provide a platform for scenario analysis to evaluate a range of potential outcomes.

Spend time where it matters most

Put efforts behind areas where the underlying assumptions and results are being challenged to determine if the situation is temporary or permanent. Ask additional questions about how things might look post-pandemic to take action now. Even growth businesses today, such as manufacturers of personal protective equipment (PPE), may not be sustainable longer term. What does that mean for the supply chain, is it a rescaling event, or is a new business model needed? Dig deep for answers to be prepared.

When concluding, Jan Brannmark and Karel Leeftang summarized the key messages: "Solid data, your hero data point, and a relatable story can make your strategy become reality and help deliver results quickly. Keeping an ongoing eye on assumptions and performance for individual business units during this challenging time can help you stay on track."

On behalf of Strat2Align and S+P Global Market Intelligence, we want to thank all the panelists and participants for actively being part of these discussions. Our intention is to build and nurture a Community of Practice to share ideas and learn from each other and share. The next Roundtable is foreseen to be held in the spring of 2021.

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About Strat2Align:

We're a boutique strategic planning, implementation, and analytics advisory firm with 45 staff based in offices in Geneva, Zug, London, New York, Philadelphia, and San Francisco. We support you in delivering results fast – also, or especially, when it gets complicated.

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