



# The Strategy Paradigm

## Decoding the Myths...

*"Before you start some work, always ask yourself three questions – Why am I doing it, what the results might be and will I be successful. Only when you think deeply and find satisfactory answers to these questions, go ahead."*

*- Chanakya*

Rightly said by Chanakya, the master strategist, not knowing why you are doing what you are doing is a recipe for disaster.

Strategy is that one thing which helps individuals and organizations answer these questions. In our experience over the years, we have seen different organizations understand strategy differently, interpret it differently, apply it differently and in the same breath, we have also seen organizations who have created strategy documents just for the sake of it, never to be used thereafter. Our interactions with these organizations have revealed a multitude of perspectives on Strategy and its relevance to their organizations, some very rudimentary, some hard-hitting and some really profound.

In this article, we have attempted to decode some of the myths around strategy, from our experiences.

***How does Strategy help me? My business is always on its feet and flexible to change with the environment. Isn't that enough?***

The Owner-Promoter of a large Tier-1 Component Manufacturing firm used to say *"We don't have a business strategy. Our strategy is just to fulfil our customers' requirements and keep them happy."* Sounds good, isn't it? So good that five to six years down the line, a massive Restructuring & Turnaround intervention was required, including discontinuing business with some of the very same customers, to set the business right and make it profitable.

Speed & responsiveness – Agility, is not Strategy. It is a capability of an organization. It gives an organization the flexibility to adapt to the changing environments, however, it by itself can't impart and sustain a competitive advantage for the organization. You need a

Strategy to exactly figure out where and how to change the playing ground or even the rules of the game and how to win the new game whenever the environment changes, thereby giving the organization its Competitive Advantage. Agility as a capability, helps you realise this.

What better than this quote from Eisenhower to endorse this “In preparing for battle, I have always found that plans are useless, but Planning is indispensable”.

***How is strategy relevant in my day-to-day work? Isn't it just high-level thinking about the long-term of a business?***

Strategy is all about defining two things – ‘Where to Play’ and ‘How to Win’. And Yes, strategy certainly involves creating a picture of the long-term for an organization. However, it is not just about the future; it is more about the present and how an organization can re-shape itself in the present to be prepared for a better future and have it to its advantage. It is largely about the fundamentals of how a business works, how it can create value, its cost drivers, its competition and the marketplace in which it operates. And that is precisely how strategy anchors and enables tactical and operational decision making on a day-to-day basis.

Many businesses we have interacted with, see Strategy as a once in 3-years or a once in 5-years process. Some organizations have also leveraged strategy as a tool only in times of distress or a crisis. Organizations with this approach fall flat in today's day and age where external and internal environments can change overnight.

A robust Strategic Planning process should be in place to enable the organization translate strategy on the ground. This should happen on an ongoing basis to keep a check on the organizational systems & processes and their outcomes to avert any crisis. Successful organizations have mastered the recipe of creating the right strategy and cascade it down the organization through a robust Strategic Planning & Policy Deployment processes enabling strategy to become a part of day-to-day decision making of the organization.

***My organization gives enough focus on building a good strategy. However, time and again, the intended objectives and results have not been achieved.***

Strategy is generally seen as an exercise that happens in an ivory tower. Rarely do the Operating functions see

strategy as a part of their job and hardly do the teams creating strategies take into account the ground reality, thereby rendering strategy as a mere statement of intent.

Strategy is as good as its execution, therefore, making it really critical for the two to go hand-in-hand. Poor execution, or execution lagging strategy can put the organization at the risk of being inefficient. On the other hand, strategy lagging execution makes the execution directionless thereby putting the organization at the risk of becoming irrelevant in the market. A Strategy half as good can deliver outstanding results when executed well as opposed to a great strategy poorly executed.

Take DMart for example – a classic case of a business with a very simple strategy executed to near perfection. The strategy is built on basics – Own real estate space, No Private labels, Cater to the Middle-class consumer base, value for money products through discount-led promotional strategy and strong supplier relationships. Despite their competition diversifying into multiple segments & adjacencies, DMart chose to stay focussed on their core, resulting in their success.

***My organization has its strategy and execution right and in place and yet my organization's performance is stagnant and at a risk of going downhill. Isn't this a little counterintuitive or are we missing something?***

Many organizations do undergo this phase and some perish while some others break the jinx and survive to perform thereafter. What differentiates the former from the latter is the manner in which they pivot their strategy. Our next article covers the concept of ‘Strategic Pivot’ in detail. Watch this space.

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### **About the Authors:**

The authors are the core founding members of USPI Consulting Private Limited.

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