The Importance of a Strategic Narrative

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Strategy Execution
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The research tells us that great execution actually depends on great strategy.
A Balanced Approach

Strategy Creation
- Strategic Thinking
  Research, Data Analysis & Incubation
- Building Strategy
  Scenario Development, Selection & Prioritization

Strategic Planning

Strategy Execution
- Implementation & Transformation
- Daily Management

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A Balanced Approach

We document strategy with written narratives.
About Narratives in General

Written prose, not bullet points on PowerPoint slides.

Sentences, paragraphs...

Thoughtful, fully explained for someone that is NOT there and doesn’t have all of the background.

A document that stands on its own without explanation.

Bullet points are “intellectually lazy.”
What’s wrong with bullet points?

Bullet points often fail to...get to the point. They are too generic. Often the bullet points used to explain strategy could, in the absence of more information, apply to any company.

2015 Strategy

• Reduce SG&A by 10%
• Introduce services to South American market
• Implement talent development program
• Improve on-time delivery to 92%
• Revamp website to improve customer experience
What’s wrong with bullet points?

Even if you can explain your bullet point today, will you remember the explanation in six months? Six years? Will other’s provide the same explanation, or their own, different version?

Bullet points leave out your assumptions and the thought process (or analytical process) that led you to your conclusions.

A major element of strategy is choice. Bullet points leave out any explanation of the other choices you considered and dismissed, and why you made the particular choice represented by the bullet.

Bullet points make it difficult to see the common thread that weaves the many elements of your strategy together.

Bullet points leave out the “story” behind your strategy. They evoke no emotion.
Are bullet points ever ok?

Sure—bullet points are often ok. You may only want bullet points on a slide to provide YOU the opportunity to explain them to an audience. But that makes the slides a guide or summary of your strategy. The strategy itself MUST be written out in a complete narrative. If it’s not, your bullet points will be entirely insufficient.

There is nothing wrong with bullet points on a PowerPoint slide. What is wrong is the idea that business strategy can be written in the form of bullet points on slides.

Effectively documenting and communicating strategy demands a well-written narrative.

Bullets may appear within your strategic narrative. Bullets are very appropriate for simple lists that require no further explanation.
A completely written strategic narrative forces the authors to think things through MUCH more thoroughly. It forces the authors to ask themselves questions, to anticipate the questions of others, and to rehearse and challenge their own ability to explain the reasons behind their choices.

Everyone should write out what they are thinking—before they say it out loud to others.
Elements of a Good Strategic Narrative

A thesis. This will often also serve as a quick summary. For BMGI, the thesis is this:

BMGI’s Thesis

(intentionally left out)
Elements of a Good Strategic Narrative

- What do you do? Why? What do you not do?
- What about what you do provides the fundamental basis of your competitive advantage today and in the future?
- What is the company’s vision, mission, purpose, values, decision making principles?
- Who do you do it for? What is the company’s market space?
  - Category
  - Boundaries
  - Adjacencies
  - Position in the market(s)
- How do you do it?
- Why is your’s the right company to do it?
- In multi-unit companies: How does each unit (SBU) fit into the strategy? What is the strategic relationship between the business units?
- What are the unwritten rules of your industry? Of how you compete?
- What is it going to take to succeed?
  - Capital
  - Talent
  - Time
  - Collaborative relationships
  - Innovation
  - Regulatory change
  - Etc.

Each narrative is unique. Not all narratives will cover all of the above, but all should address most. And every narrative will include more than just these elements.
Two Types of Narratives

Baseline Narrative
Corporate SBU

Future Narrative
Corporate SBU

Degrees of change from baseline to future:
- Renew: a new strategy
- Revise: filling in the gaps
- Clarify: better articulation

Any manager can (and should) develop strategy at their level of the business.
Tell a Story

A good story makes it apparent how all the parts of the story fit together. It forces us to find a common thread.

A good story helps people pay attention and internalize what they are hearing.

A good story evokes emotion—and excitement.

A good story makes your strategy easier for other people to remember.
Clarifying\Revising\Renewing

After the baseline narrative...

*Clarifying* simply means better articulating the strategy so that all can understand and execute it. It means removing ambiguity, synthesizing different interpretations, and filling in any big gaps that lead to unanswered questions.

*Revising* means recognizing that while the core the strategy is sound, adjustments are in order. This may be because certain things are not working or because new, more compelling opportunities have presented themselves.

*Renewing strategy* is the phrase most often used to describe a wholesale change in strategy. Renewal is not undertaken likely—or annually. Good strategy should last for a generation. Renewal is necessary when strategy is dated and failing, or when a prior renewal simply is not working.
Questions....