



## Your strategy needs a “discovery” phase before entering full execution mode

Managers can increase the chances of success of their growth strategy by testing the different market opportunities and their assumptions through a portfolio of results projects.

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Most companies are busy now thinking about their strategy for next year. And what we all want is to achieve early results and confirm that we’re on the right track. But it seldom turns out that way.

We often assume that with sufficient analysis of the market opportunities we can easily picture a predictable path of where the company will go forward. But markets don’t necessarily behave the way we assumed nor competitors stay static.

In order to move faster into execution, you’ll have to run a “discovery” phase as part of your strategy plan, similarly to the way innovation is managed specially for growth strategies. This means generating ideas of what could work in the market (ideation); testing your ideas and assumptions about the market in real time to learn what works in the market, and what doesn't (rapid experimentation); and then use the data and the learning to decide how to adapt or scale your strategy (incubation).

For instance, a bakery producer in North America wanted to enter the frozen segment of the market but had no experience in the US. To test its strategy, the company initiated a series of rapid pilot projects aimed at securing at least one client from any of the potential segments of the market like wholesalers, restaurant chains, schools and universities, and hospitals. In each project the company had to test product formulation to meet client’s standards; try different plants and freezers, sometimes subcontracted, to meet the expected cost; and to adapt to the clients buying schedule. Within the next few months, a national restaurant chain asked for a store test, which they started right away. The bids from the other projects provided enough data to continue shaping a sales strategy to win business with a major national wholesaler, who in turn had business with national restaurant chains. This first experience led to team to think about a combined strategy for pushing products to wholesalers in order to reach retailers and selling directly to retailers who in turn would pull products from wholesalers. The company is now executing this strategy pursuing both wholesalers and national restaurant chains, and scaling up the store test with the first client.

Also an insurer in LA wanted to introduce value-added insurance products to move away from traditional and less profitable lines. His team brainstormed a number of products and selected a few markets to test them. Teams were assigned to each opportunity and

were challenged to achieve real sales in 100 days. A team in charge of a product for Directors and Officers selected Brazil and Argentina as their focus and quickly created a product that they sold to 2 first clients. The team then created additional related products and expanded their reach to other countries becoming one of the largest businesses of its kind in the LA insurance industry. Over the next two years, eight to ten more business opportunities were pursued in the same way generating \$200 m of additional revenue, accelerating the realization of the initial strategy.

A fast way to discover how to make your strategy work includes the following steps:

- **Prioritize.** Guide your team to select products or markets that have the greatest impact on revenue and represent new territory and new risk to the company. Assign each opportunity of the portfolio to leaders and cross-functional teams and bring them together to brainstorm and put together the initial strategy.
- **Launch.** Challenge teams to achieve real sales or profits in 100 days to prove the underlying assumptions of the strategy in a relevant representation of clients or geographies.
- **Integrate.** Bring teams together regularly to share the learning, iterate, and shape the unifying strategy.
- **Expand.** Work with the teams to scale up and engage large numbers of people from across the company to deploy the evolving strategy and create a bigger impact.

This approach can also be applied to other generic strategies like Increase Profitability and Capabilities, Launch a New Business, or Shape the Business Portfolio.

If you are in the final stages of signing off your strategy plan, you still have time now to figure out how your strategy would work and ensure your teams will have a great start next January.

So, where are you in the planning process and what are the chances of success?