

Agile Strategy

by: Anne Chappaz and Nuria Rull

24 November 2020



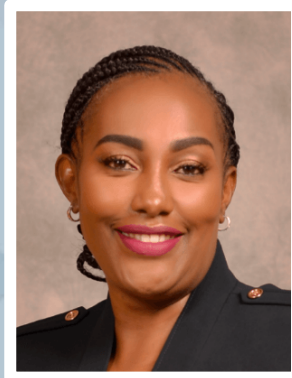
Agenda

PART 1:

1. The Importance of strategic perspectives
2. Components of a strategy
3. Managing priorities
4. Iterative strategic thinking
5. What it takes to be agile

PART 2:

Panel discussion featuring:



Ms. Caroline Gathii
President
OWIT Nairobi



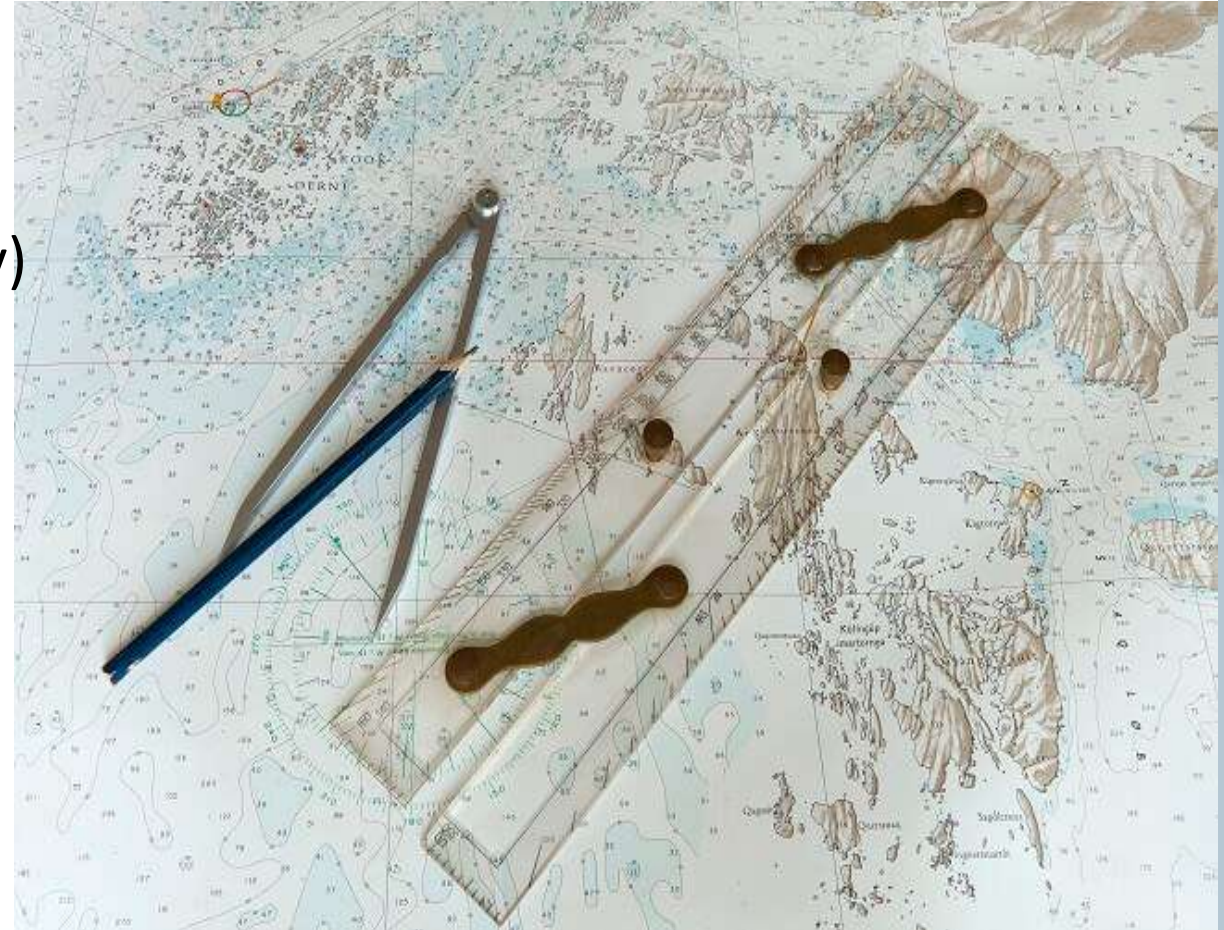
Ms. Blanca Castro
Chapters Manager
IWCA Global



Ms. Farzana Khan
General Manager
SME Foundation Bangladesh

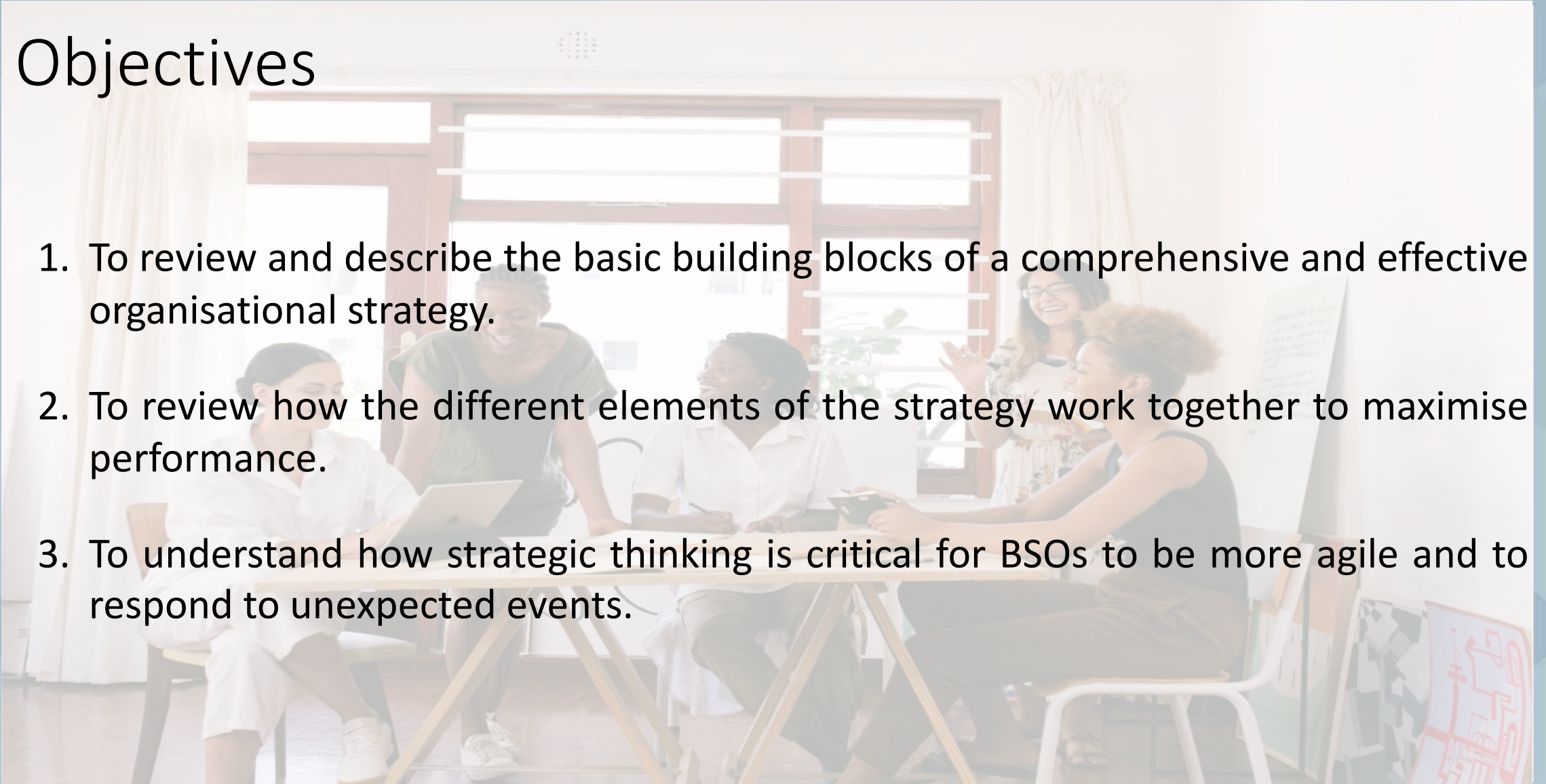
- A strategy in uncertain times
- Introducing the *strategy on a page*
- Setting the direction of travel
- Mapping the broader context
- Using strategic horizons (Where to play)
- Charting the course (How to win)
- Measuring progress
- Changing course
- What it takes to ride the waves
- Stories
- Questions

Our journey today



Objectives

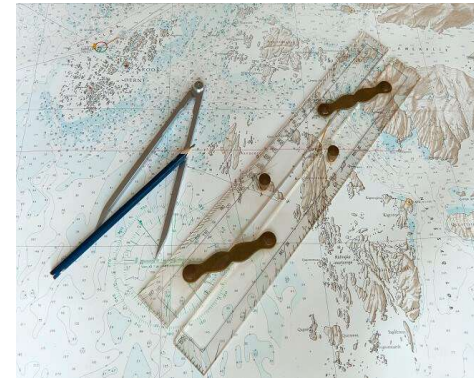
1. To review and describe the basic building blocks of a comprehensive and effective organisational strategy.
2. To review how the different elements of the strategy work together to maximise performance.
3. To understand how strategic thinking is critical for BSOs to be more agile and to respond to unexpected events.



What is strategy?

Definition

- Greek “*strategos*” --> army general standing on a hill
 - View from above
 - Longer term outcomes
 - Managing uncertainty
 - Guiding tactical decisions



Key questions

- **Where are we now?** – Context, Current position
- **Where do we want to be?** – Vision, Objectives
- **How do we get there?** – Where to Play and How to Win – making strategic choices
- **How do we know when we have arrived?** – Measures, Targets, Reporting, Communication, Celebration.

Why is strategy important?

Strategy is about **making the right choices** about what to do, and what NOT TO DO in order to deliver on goals.

It provides:

- Clarity ;
- Commitment;
- Communication;
- Employee engagement;
- Focus and alignment of effort – **including saying “no”**;
- Allocation of resource;
- A framework for measuring and reporting;
- A drive for change and continuous improvement.

Without all these elements working together an organization will not succeed in meeting its goals



More of an art than a science...

Good strategists use the parts of their brain associated with **gut responses, empathy and emotional intelligence**, more than the parts associated with rational assessment of probabilities, risks, patterns and abstract thinking.

Developing a good strategy means *walking in the shoes of your customers, stakeholders, staff and competitors.*

It needs:

- Consultation;
- Questioning;
- Time and space to think differently;
- Courage and ambition;
- Customer empathy.



Modern adaptive approach for an agile strategy

Making choices in the face of:

- Volatility;
- Uncertainty;
- Complexity;
- Ambiguity.

All strategy carries risk, because it deals in longer time frames and the unknown.

In a VUCA world uncertainty is associated with a shorter time frame

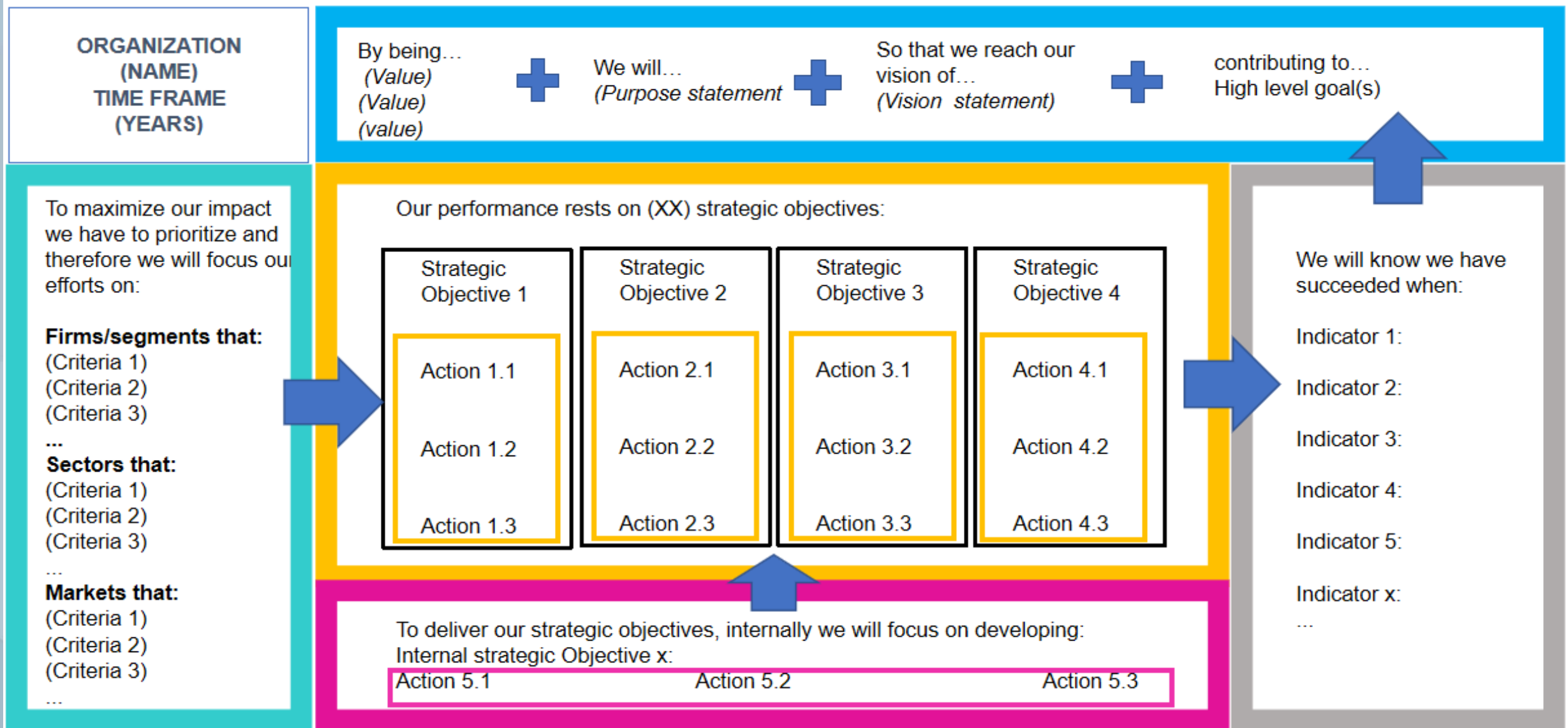
Risks need to be identified, mitigated if possible and assessed.

Strategies need to be reviewed constantly

Strategy needs to be:

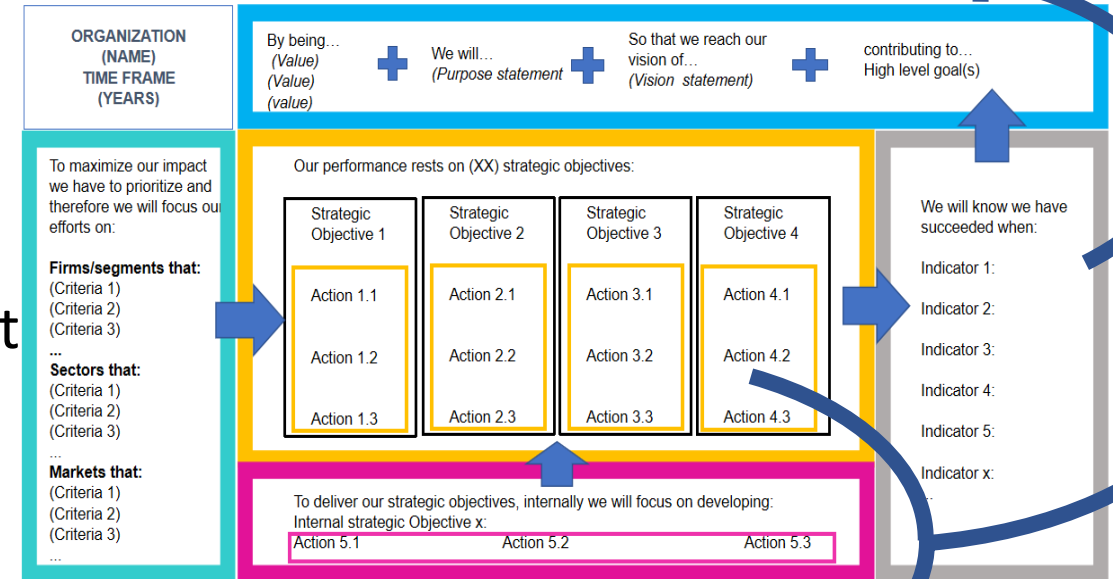
- Adaptive and iterative;
- Fed from all levels of the organisation and owned by everyone;
- Best designed by those **closest to the customers**. *External agents can be useful facilitators or analysts but the experts of your business are you.*
- Include triggers for review
- A permanent agenda item

Our end point: Strategy on a page



Not in isolation, and not linear

- Understanding context
- Strategic thinking – divergent
- Strategic planning – convergent
- Iterative – as you learn more, check back in with previous steps



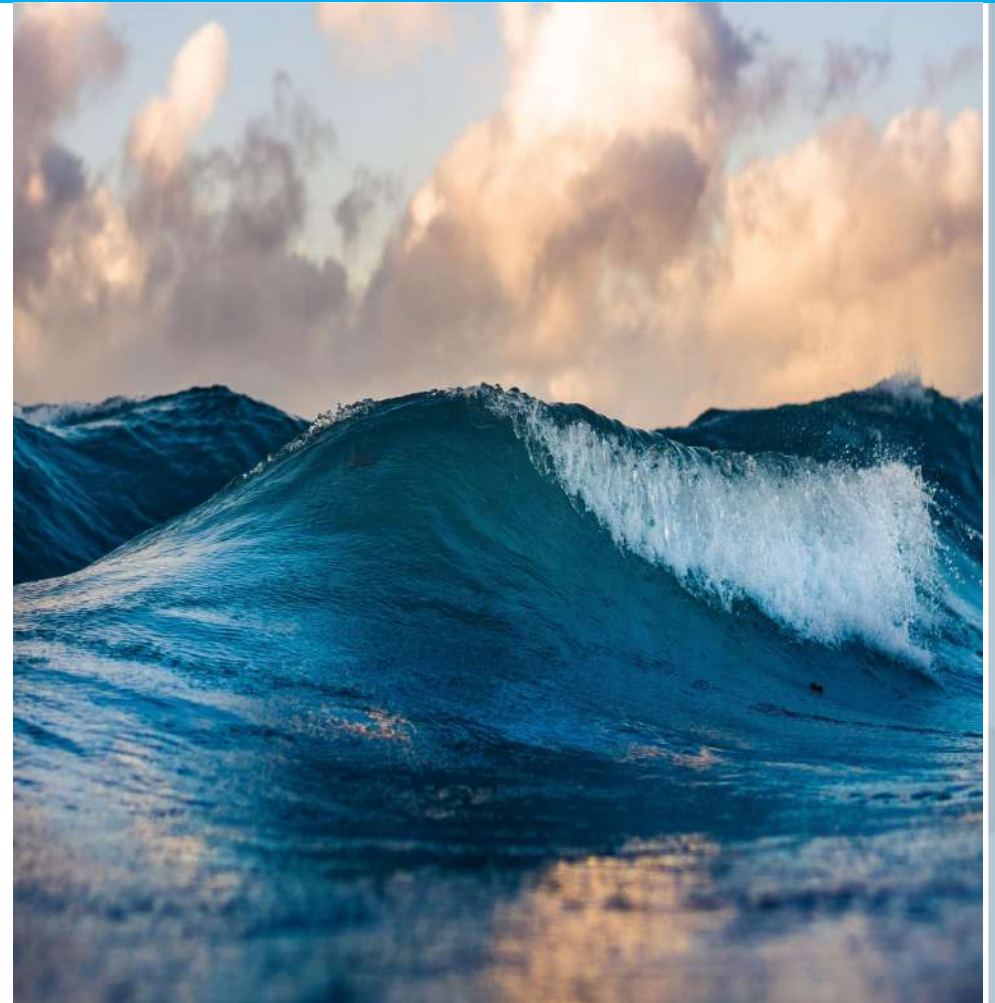
"If you want to build a ship, don't herd people together to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea." –

Antoine de Saint-Exupery

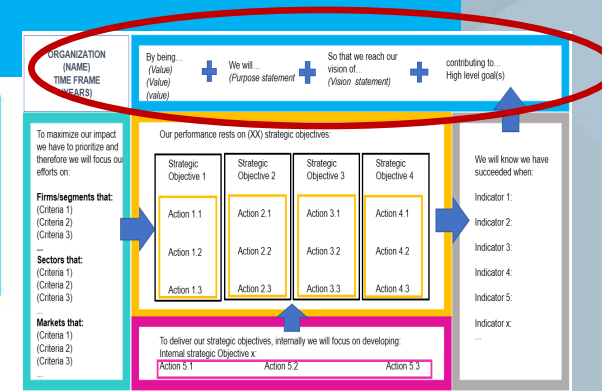
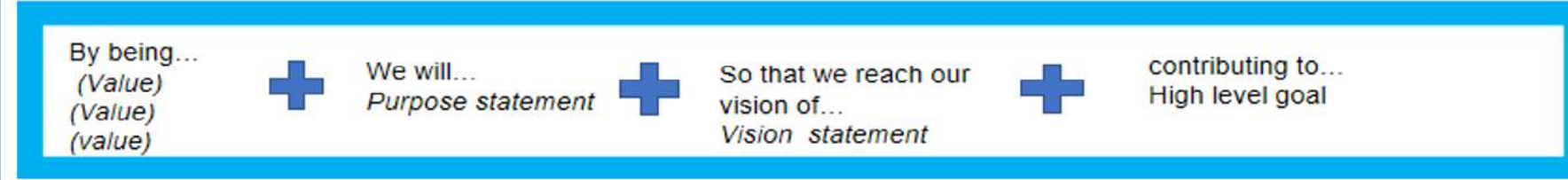


Purpose, Vision, BHAG and Values

- Why is it important to have a **Purpose, Mission or Mandate**?
→ *Why does the organization exist?*
- What is the difference between Purpose and **Vision**?
→ *What will the world look like if the organization is outstandingly successful?*
- What is a **BHAG**, and why have one?
→ *How does that aspirational vision translate into a single measure of success?*
- Where do **Values** come in and how do you define them?
→ *Who do we need to be to reach that goal?*



The guiding statement



By being...

- **Expert**
- **Connected**
- **Trusted**



VALUES

We will...

build operational and managerial excellence of BSOs

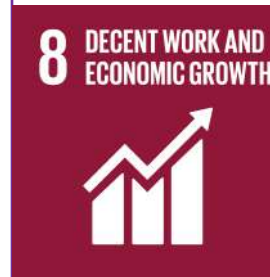
PURPOSE

So that we reach our vision of...

BSOs everywhere helping SMEs benefit from sustainable and inclusive trade

VISION

And contribute to...



BHAG

Example from ITC/Institutional Strengthening



Context

Analysis of the environment and what it means for us:

- **PESTLE:**

- Political
- Economic
- Social
- Technological
- Legal

Sphere	What is changing	What does it mean for us?
Political	eg. Presidential transition	eg. Need to remain flexible to respond to new government priorities
Economic		
Social		
Technological		
Environmental		
Legal/ Regulatory		

- **SWOT:**

- What can we **do** to make the most of the environment and current conditions?

INTERNAL
FACTORS

EXTERNAL
FACTORS

Could mean we **win** Could mean we **lose**



Organizational assessment or benchmarking

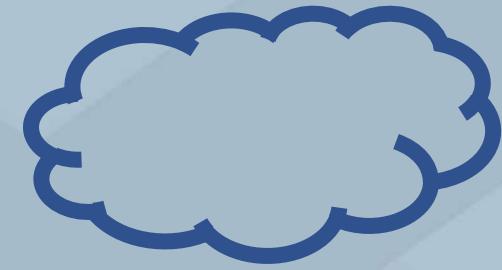
PESTLE

INTERNAL
FACTORS

EXTERNAL
FACTORS

Sphere	What is changing	What does it mean for us?
Political	eg. Presidential transition	eg. Need to remain flexible to respond to new government priorities
Economic		
Social	eg. urban youth	eg. Need to understand this customer segment
Technological		
Environmental	eg. environmental sustainability	eg. Need to improve our green credentials
Legal/ Regulatory		

Could mean we **win** Could mean we **lose**



...Use our great business data to shape new government policy

...Share our generous office space with young entrepreneurs

...Find extra room in our tight budget by reducing waste and therefore improving our green credentials

Example from a chamber

Where to Play: Using strategic horizons

At any one time, you should be delivering actions that support all three horizons. The key strategic choice is the *percentage of effort in each*



Horizon 1 : protect and nurture the core

Current volume
Short term (current) conditions
Outcome indicators
Experienced businesses, successful products, familiar markets
Low risk
Customised, troubleshooting, PR

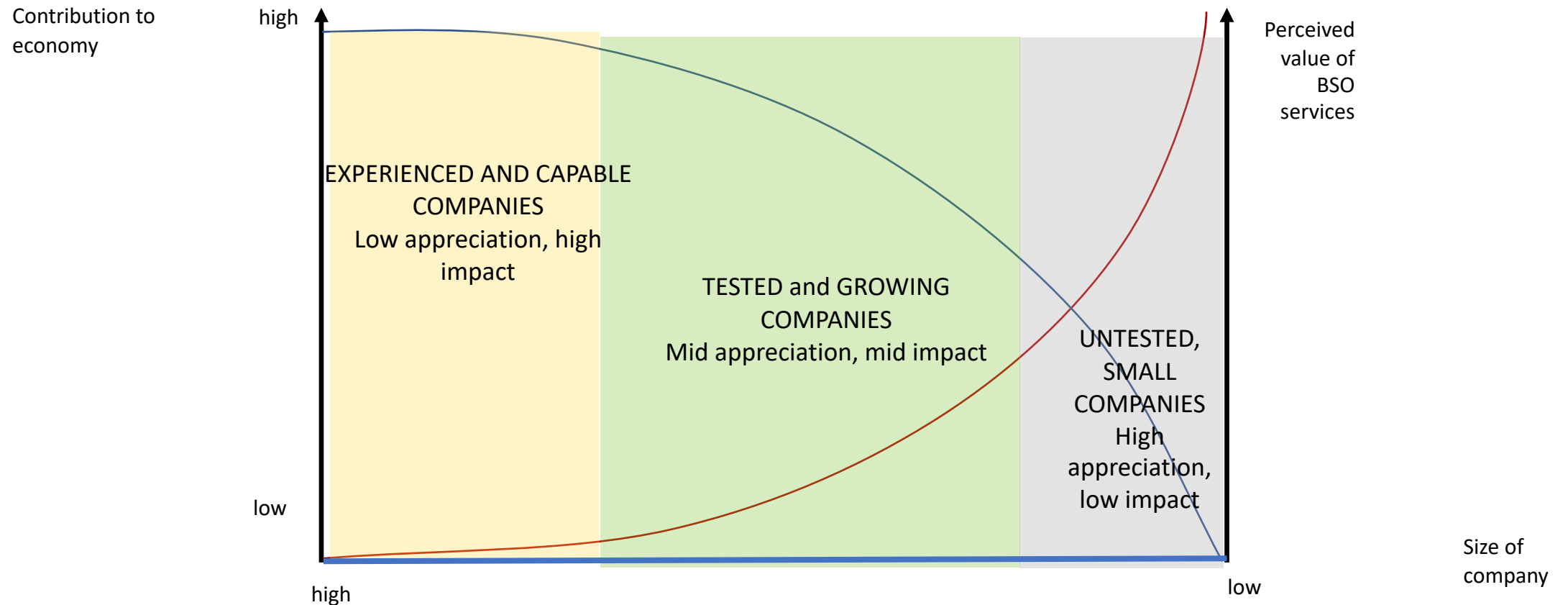
Horizon 2 : support rising stars

Current growth
Medium term (known changes)
Intermediate outcome indicators
Emerging businesses, products and markets
Risk managed through « adjacency »
Grouped activities, learning and network development

Horizon 3 : options for success in an uncertain future

Potential future growth
Long term (unknown changes)
Output indicators
Potential business success
Risk managed through portfolio approach – many projects or start ups, of which some will fail
Influencing the macro level conditions and the ecosystem of support; research and initial scoping of opportunities

Priority clients: Customer value v. the Economy



Where to Play: Segments, Sectors and Markets

We aim to support all beneficiaries, but our RESOURCES ARE LIMITED. To maximize our impact we have to prioritize and therefore we will focus our efforts on:

Segments that:

- (Criteria 1)
- (Criteria 2)
- (Criteria 3)
- (Criteria 4)
- ...

Sectors that:

- (Criteria 1)
- (Criteria 2)
- (Criteria 3)
- (Criteria 4)
- ...

Markets that:

- (Criteria 1)
- (Criteria 2)
- (Criteria 3)
- (Criteria 4)
- ...

We deliver value to all investors, but to deliver best results our priorities are:

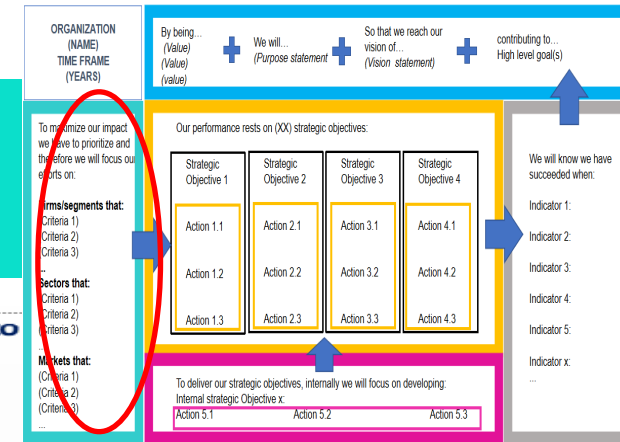
Investments that are good for the country, Sustainable, feasible and ecologically sound. They should create good quality jobs and bring transferable skills and new technologies

We will focus on the following sectors:

Renewable Energy
Education and Knowledge Delivery
Research and Development/Life Sciences/BioTech
Medicinal Cannabis
Tourism/Niche Medical Tourism
Fintech
HNWI / Digital Nomads

We will focus on the following markets:

Canada
USA
UK
EU (Germany)
China
Africa (Morocco, Kenya, Ghana)
LATAM (Colombia, Mexico, Panama)
CARICOM
The Diaspora



Example: Investment agency

Seeing a new
perspective...



How to win - strategy maps

Perspective	Complete the phrase
Stakeholder perspective “What value and value for money do our stakeholders expect from us?”	Our purpose and promise is...
Financial Perspective “To satisfy our stakeholders what financial objectives and results must we accomplish?”	To be viable long term we need...
Customer Perspective “To achieve our financial and stakeholder objectives, what customer needs must we serve?”	Our priority customers in target sectors and markets need...
Internal Perspective “To satisfy our customers and stakeholders, in which internal processes must we excel?”	We must excel at... (verb in ...ing)
Organisational development perspective (Learning and Growth) “To achieve our goals how must our organisation perform, learn and improve?”	At the root of success is...

Stakeholder

S1 Diversified
and value added
exports



S2 Export
business growth
and profitability



S3 Return on
Investment
(VfM)

TIP:
Check back at the
SWOT ideas!

Customer

Access to
international
opportunities

Business
capacity
building

Improved
business
environment

F1 Credible
results

F2 Efficiency
gains and
cost savings

Financial

Internal

Creating
opportunities
for B2B

Delivering
successful
projects,
events

Growing our
customer
portfolio

Lobbying to
reduce
business
constraints

Capturing
data on
business
performance

Complying
with well-
designed
processes

Organisational
Capacity

Sharing
relevant
market info

Under-standing
business needs,
strengths,
weaknesses

Segmenting and
managing
customer
portfolio

O1 Global
knowledge
network

O2 Credible
and engaged
people

O3 Modern
technology and
management
tools

O4 Effective
Performance
Measurement
System

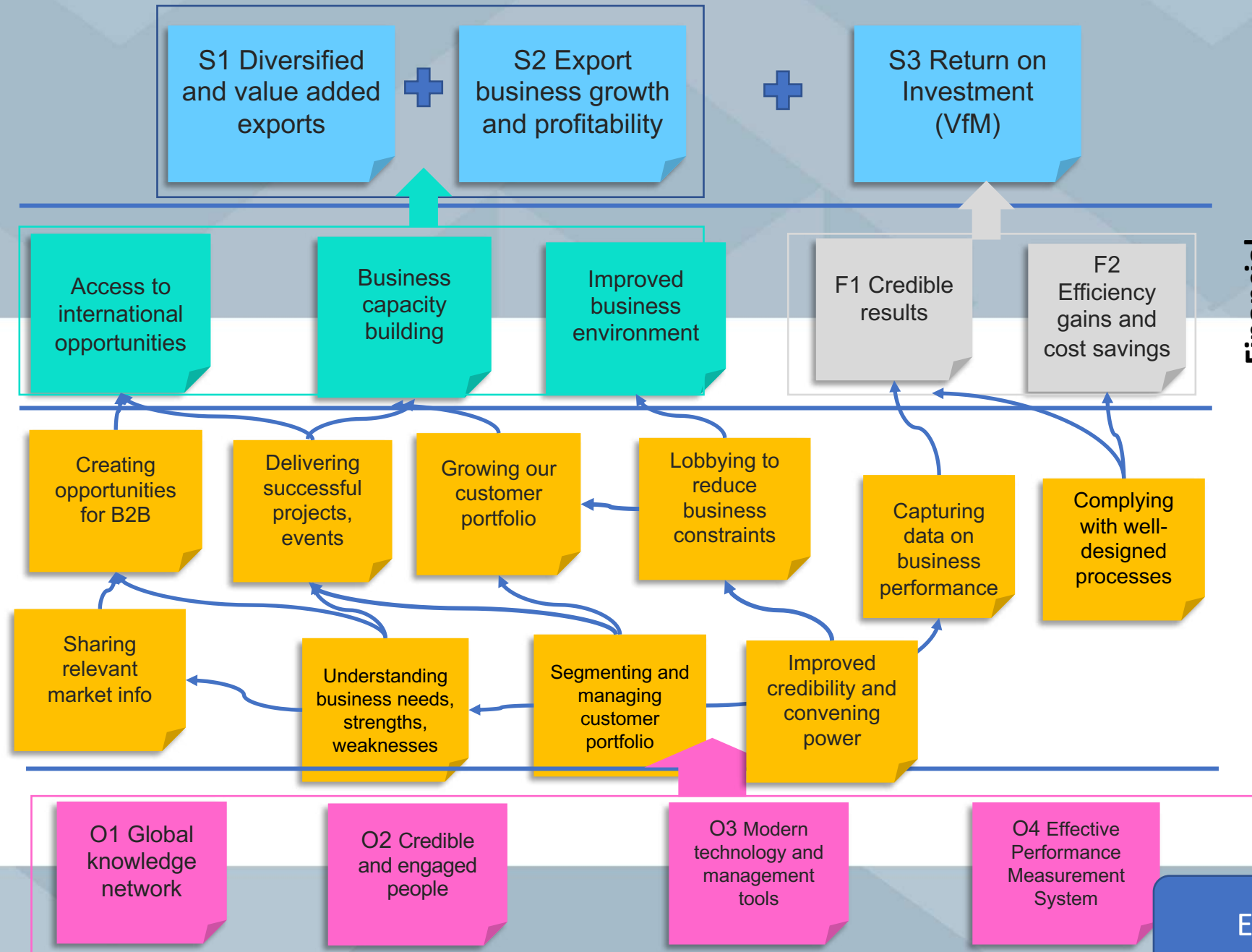
Example: small TPO

Stakeholder

Customer

Internal

Organisational
Capacity

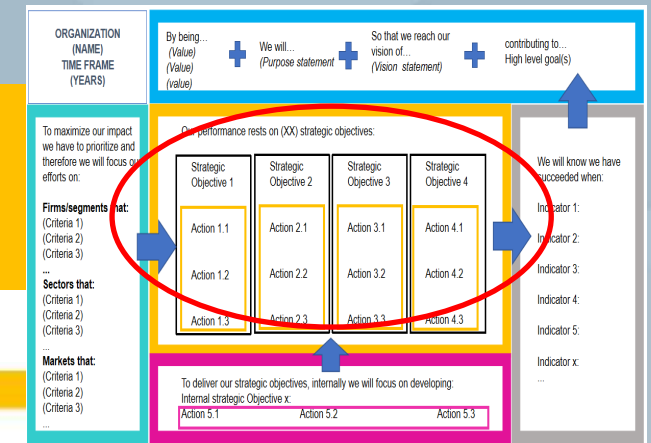
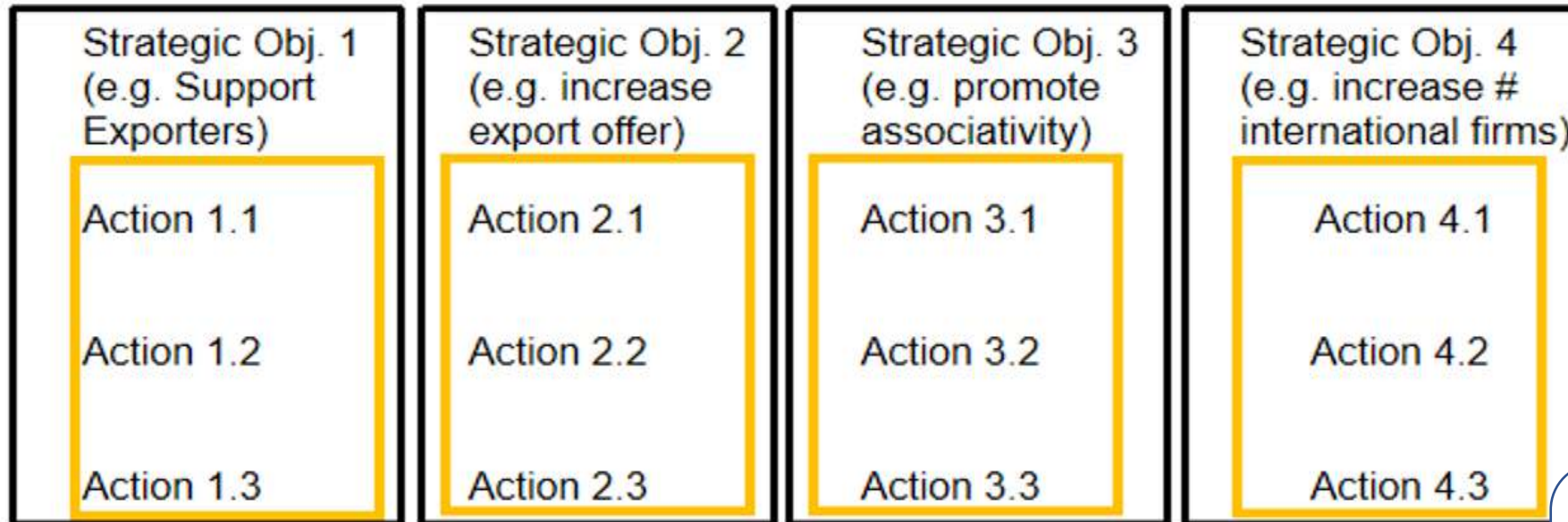


Financial

Example: small TPO

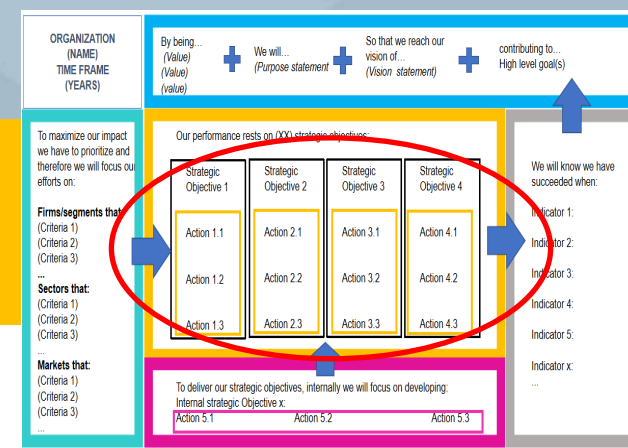
How to win – External Objectives

Our performance rests on (4) strategic objectives:



TIP:
Check back at the
SWOT ideas!

How to win



1. New international growth opportunities

1.3
Creating
B2B events

1.2 Building a
global
network

1.1 Sharing
relevant market
information

2. More and better businesses

2.3
Delivering
training

2.2 Improving
customer
segmentation

2.1
Understanding
business needs

3. Improved business environment

3.2 Better
lobbying to
government

3.1 Improved
credibility and
convening power

Specific goals & activities: SMART Actions

- S – specific
- M – measurable
- A – actionable / assignable
- R – relevant
- T – time-bound

1.1 Sharing
relevant market
information

Sharing
relevant
market info

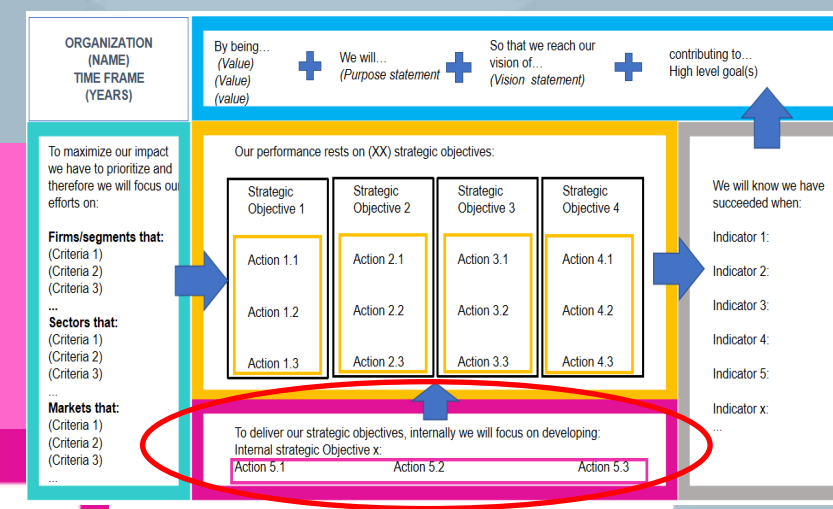
*1.1.1: “By 31 Dec, 2021, train 3 members of staff in market intelligence tools.
(lead: Asha)”*

Capturing the implications

- What are the *implications of the choices* you have made up until this moment on:
 - Resource mobilisation
 - Employee engagement and culture
 - Organisation structure
 - Stakeholder engagement
 - Communication
 - Technology and other capital investments
 - Other?

What actions will be needed to prepare your organization to deliver on these strategic objectives?

Enabling the win: Organizational Objectives



To deliver our strategic objectives, internally we will focus on developing:
Internal strategic Objective x:

Action 5.1

Action 5.2

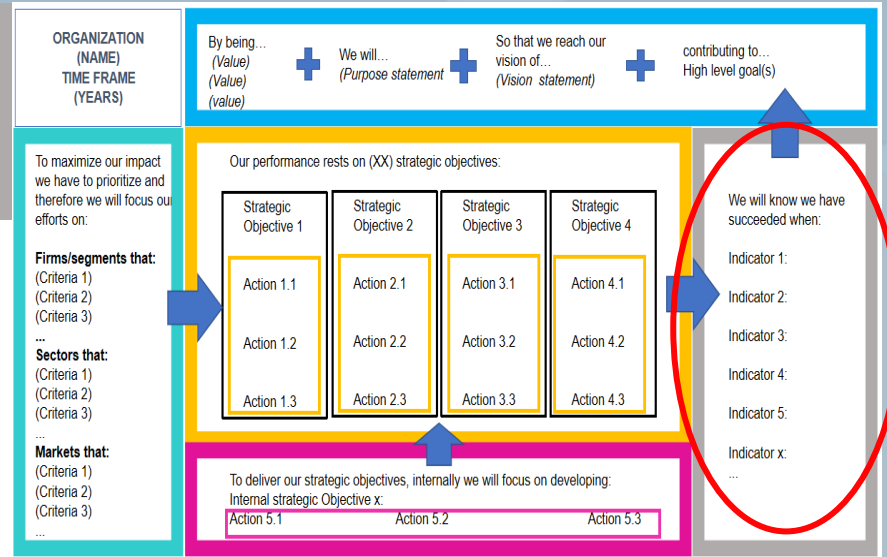
Action 5.3

To deliver our strategic objectives, we will build our organization for:
4. Excellence and Efficiency

4.1 Building private
sector experience

4.2 Investing in
supporting systems

Indicators



We will know we have succeeded when:

Indicator 1:
(e.g. export \$ supported)

Indicator 2:
(e.g. # new exporters)

Indicator 3:
(e.g. # exporting clusters)

Indicator 4:
(e.g. X\$ e-commerce)

Indicator 5:
(e.g. # success stories)

...

Indicator X:

- The indicators you select will determine whether you succeed or fail in delivering your strategy
- The indicators are the glue between your actions and your High Level Goal. If the logic of the indicators is not clear... start again!

**ORGANIZATION
(NAME)**
**TIME FRAME
(YEARS)**

By being...
(Value)
(Value)
(value)



We will...
(Purpose statement)



So that we reach our
vision of...
(Vision statement)



contributing to...
High level goal(s)

To maximize our impact
we have to prioritize and
therefore we will focus our
efforts on:

Firms/segments that:

(Criteria 1)
(Criteria 2)
(Criteria 3)

...

Sectors that:

(Criteria 1)
(Criteria 2)
(Criteria 3)

...

Markets that:

(Criteria 1)
(Criteria 2)
(Criteria 3)

...

Our performance rests on (XX) strategic objectives:

Strategic
Objective 1

Action 1.1

Action 1.2

Action 1.3

Strategic
Objective 2

Action 2.1

Action 2.2

Action 2.3

Strategic
Objective 3

Action 3.1

Action 3.2

Action 3.3

Strategic
Objective 4

Action 4.1

Action 4.2

Action 4.3

To deliver our strategic objectives, internally we will focus on developing:
Internal strategic Objective x:

Action 5.1

Action 5.2

Action 5.3

We will know we have
succeeded when:

Indicator 1:

Indicator 2:

Indicator 3:

Indicator 4:

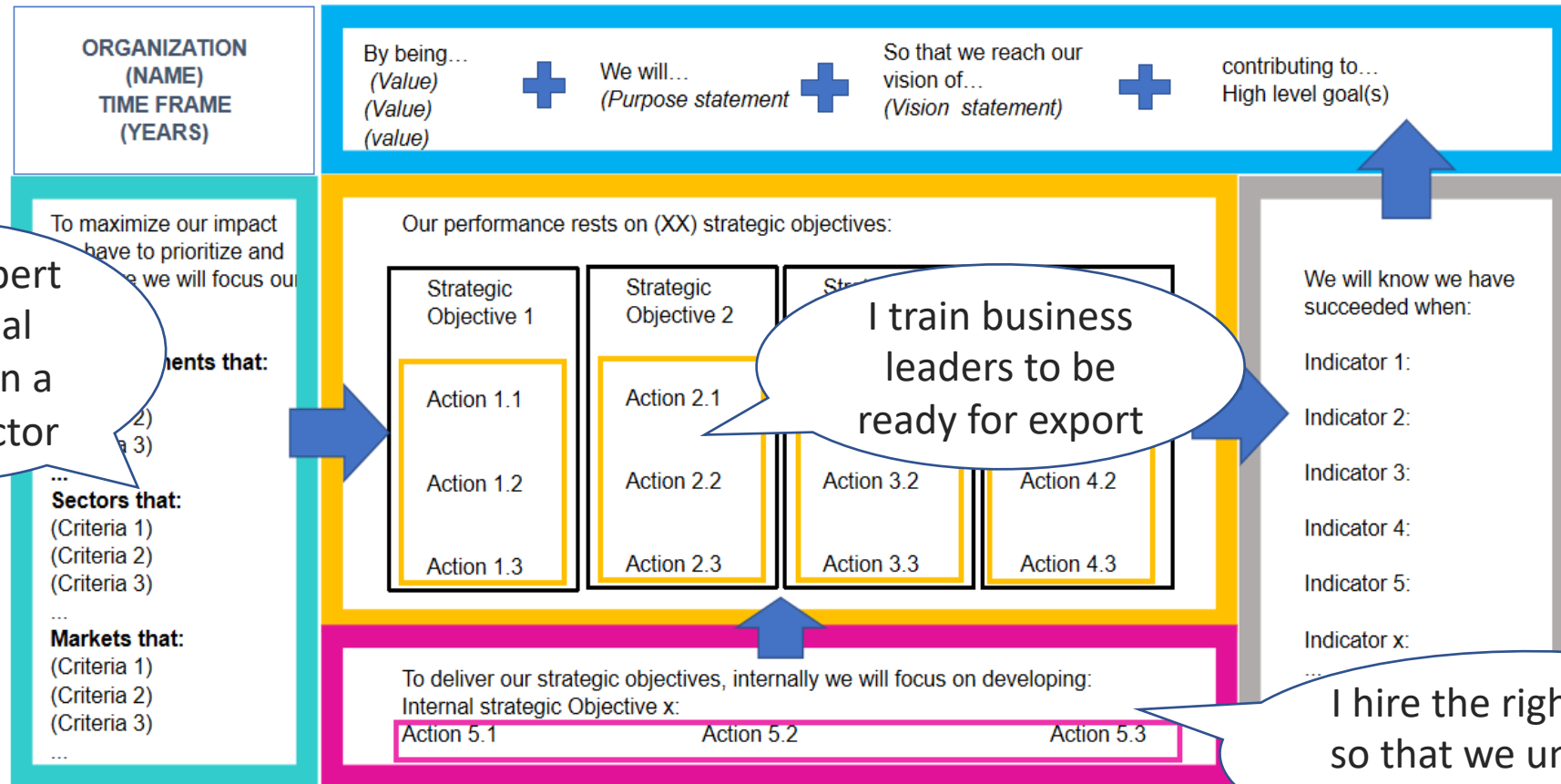
Indicator 5:

Indicator x:

...

Staff engagement

Each member of staff should be able to trace their personal pathway through the strategy on a page





Avec:
L'excellence
L'intégrité
L'engagement
L'ouverture
...

et en assurant la valorisation et la promotion
continues des produits et services destinés à
l'exportation à travers:
L'appui
L'information
Le valorisation
La formation

...nous atteignons notre vision d'un sous-
secteur des exportations diversifié, compétitif
et générateur d'emplois décents à l'horizon
2024 ...

...et contribuons au
developpement de 50% des
exportations Guinéennes (non-
minières).

PRIORISATION

Segments

- H1. **50%** Exportateurs établis (non-miniers)
- H2. **40%** Nouveaux exportateurs dans des secteurs cibles
- H3. **10%** Possibles futurs exportateurs

Secteurs

- H1. **60%** Noix de Cajou, Café, Mangue, Huile de palme, Ananas, Miel
- H2. **30%** Fonio, Beurre de Karité, Cacao
- H3. **10%** Sésame, autres agro-industries, Poissons, Artisanat

Marchés

- H1. **40%** Europe, Maroc, Côte d'Ivoire, Gambie, Mali
- H2. **50%** USA, Turquie, Chine, Inde, Vietnam, Gabon, Algérie
- H3. **10%** Autres pays



ACTION

1. Analyse et veille commerciale

- Information sur les marchés-cibles partagée
- Information commerciale et stratégique renforcées

sensibilisation et diffusion d'études

renforcement de l'information commerciale

système d'information AGUIPEX

2. Renforcement des capacités des entreprises

- Qualité, conformité, diversification
- Maîtrise des opérations à l'exportation

encadrement des entreprises sur les coûts, la qualité, l'emballage des

formation aux techniques d'exportation, financement et marketing

appui et accompagnement des organisations

3. Mises en relations commerciales

- Rencontres d'affaires et événements B2B
- Assurer la veille de l'image de la Guinée à l'international

foires, missions à l'étranger, B2B

promotion et marketing des produits de

promouvoir la marque "Made in Guinée"

4. Amélioration du climat des affaires

- Problématiques mieux connues
- Concertation entre acteurs

sensibilisation et plaidoyer

cadres de concertation

diagnostic de l'environnement en

dispositif des délivrance de

5. Capacités managériale et opérationnelle de l'AGUIPEX et IAC

- Capacités de l'AGUIPEX renforcées
- Capacités des IAC renforcées

recrutement, formation du personnel

réseaux à l'étranger

portefeuille des services (+Site internet et

RESULTATS

- ↑ Degré de diversification
- ↑ Taux de satisfaction des acteurs
- ↑ Valeur des contrats à l'étranger
- ↑ Nouveaux exportateurs

Principes directeurs:

1. la bonne gouvernance
2. des questions transversales
3. gestion axée sur les résultats
4. le renforcement de partenariats
5. la pro activité



Time for a quick break!



Be back in 5
minutes,
please!

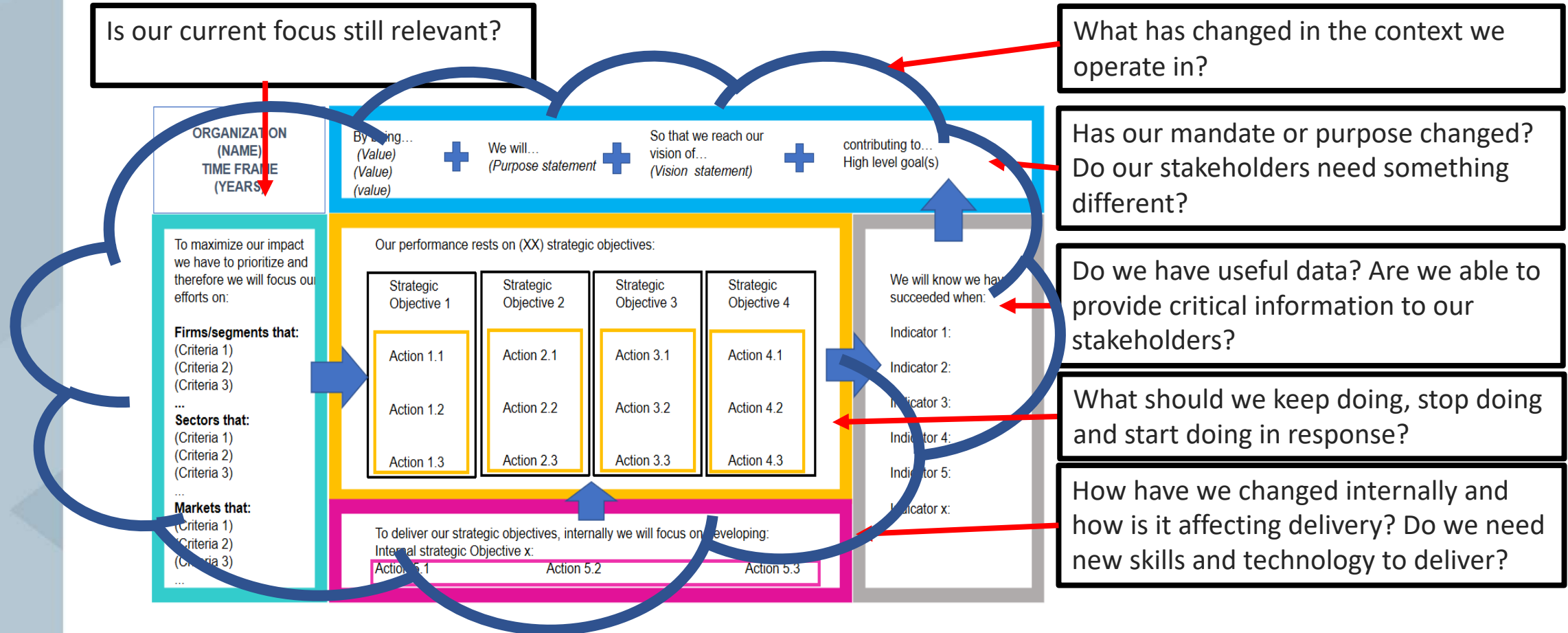





When crisis hits, throw your operating plan away, but *keep thinking strategically*. Review assumptions and recalibrate risk.

Your **values, purpose, vision** and **BHAG** will keep your actions on track, even when the plan is useless

Strategy REVIEW process – testing assumptions



Risk review process → increased uncertainty



Horizon 1 : protect and nurture the core



Horizon 2 : support rising stars



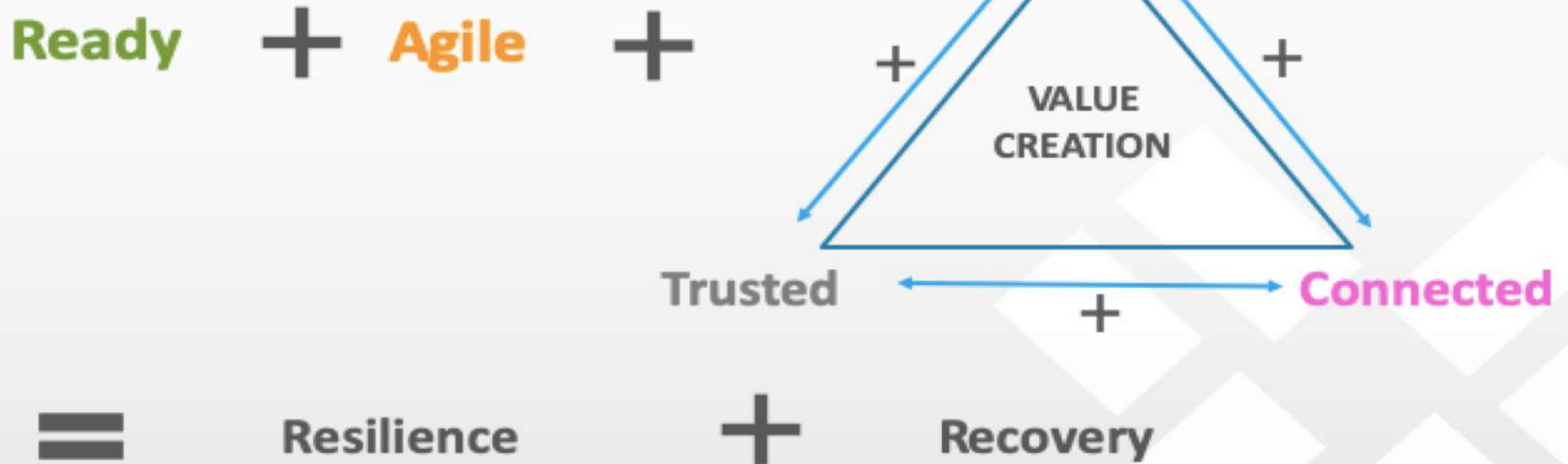
Horizon 3 : options for success in an uncertain future

Many activities that would have been considered H1, now face a context of uncertainty, and therefore have to be treated like H2 in terms of risk, service channels, and indicators.

This increases significantly the overall risk profile of the organization, and it would be wise to reduce investments in H3 to help balance this.

Organizational DNA in a crisis

REACT ITC's model for BSO resilience
and business recovery



REACT ITCs model for BSO resilience and business recovery

How well can your organization react to an external shock?

- **READY**: Do you have the behaviours, culture, risk approach, continuity plans and IT systems to keep going despite disruptions?
- **EXPERT**: Do you have access to the skills and information your stakeholders and businesses need to respond to new challenges?
- **AGILE**: Can you rapidly adapt your solutions and delivery channels to help businesses respond?
- **CONNECTED**: Can you communicate with business and can you work within an ecosystem of support to deliver solutions, fast?
- **TRUSTED**: Are you seen as a trusted source and delivery partner for information and solutions when uncertainty and risk is high?

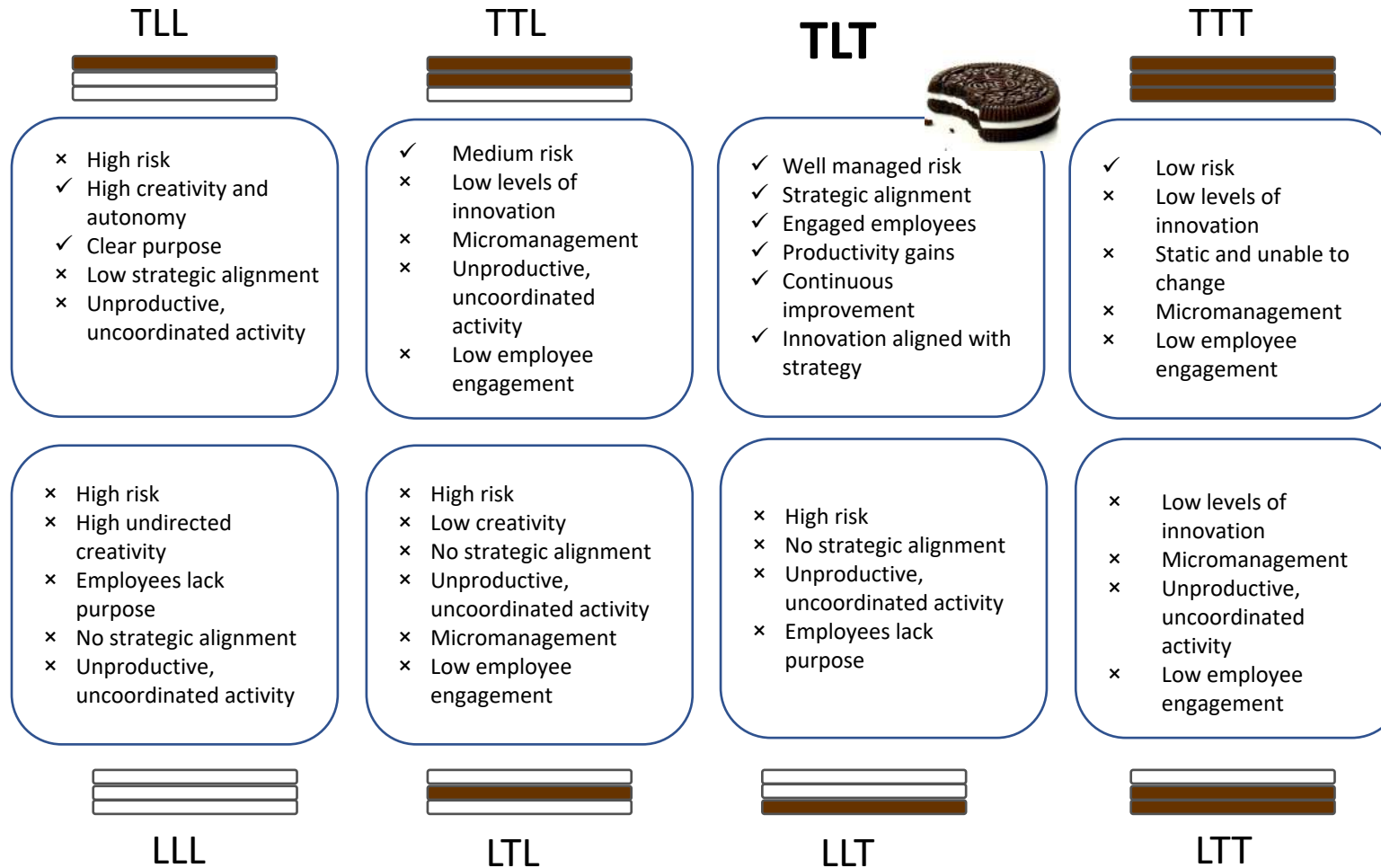
Organizational culture in a crisis: Tight Loose Tight

High performing BSOs exhibit:

- Absolute clarity from the top on purpose, behaviour, strategy (tight);
- Authority to act and spend delegated down to middle management (loose);
- Consistent measurement and reporting of results, regular individual performance reviews, managed risk, audit and control (tight).



What sort of cookie is your organization?



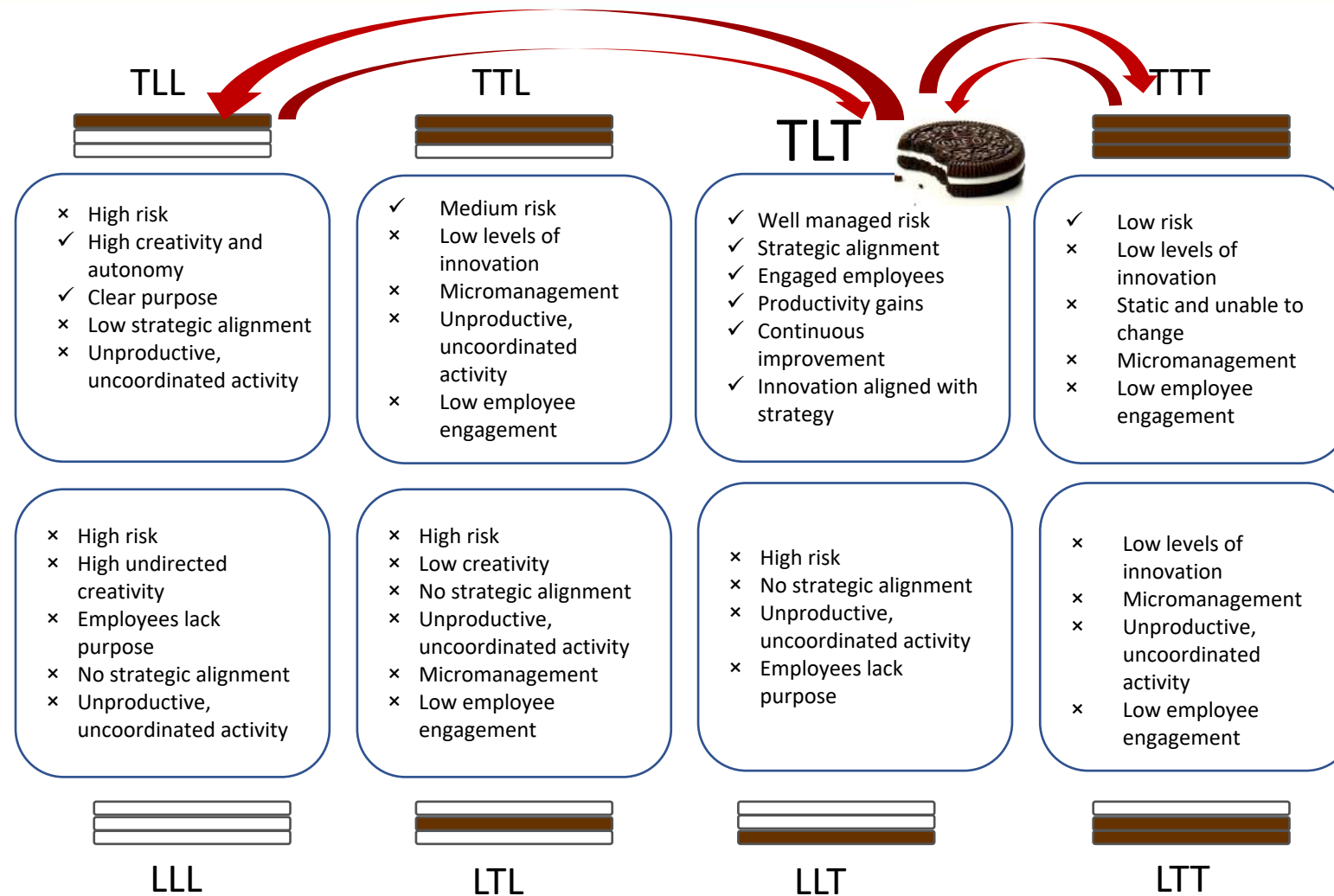
The Cookie “*challenge*”

- Where do you see your organization “normally”




- Where do you see it during the current crisis?

What sort of cookie is your organisation in a crisis?





Panel Discussion

A close-up photograph of a black, mesh-covered microphone on a stand. The microphone is the central focus, with its handle extending towards the bottom right. The background is a blurred indoor setting, possibly a stage or a room with other people, but they are out of focus. The entire image is overlaid with a semi-transparent geometric pattern of overlapping triangles in various shades of blue, teal, and light grey. The text 'Q&A' is centered over the microphone's head.

Q&A



International
Trade
Centre

SheTrades



SHETRADES COMMONWEALTH

THE NEW

TEXTILES AND APPAREL MARKET:

DIGITAL BUSINESS

TUE | 24 NOV 2020 | 2PM - 3:30 PM CET

OBJECTIVE: DESIGNED TO FULLY PREPARE BUSINESS SUPPORT ORGANISATIONS (BSO) FOR THE NEW WAY OF CONDUCTING BUSINESS AND SUPPORTING YOUR NETWORK OF SMES IN THE T&A SECTOR.

TARGET AUDIENCE: BSO FOCAL POINTS FOR T&A SECTOR

REGISTER HERE: <https://bit.ly/3lv4EEM>



Panel Discussion



Ms. Caroline Gathii
President,
OWIT Nairobi (Kenya)



Ms. Blanca Castro
Chapters Manager,
IWCA Global



Ms. Farzana Khan
General Manager, SME
Foundation (Bangladesh)