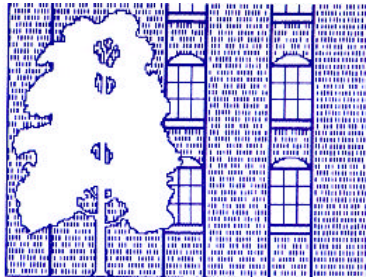# Strategy is About
Service Positioning in a Changing Environment

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Collective Wisdom…Fresh Ideas

Strategic Directions

Strategy is partly about how an organization or agency positions its services within a changing environment.
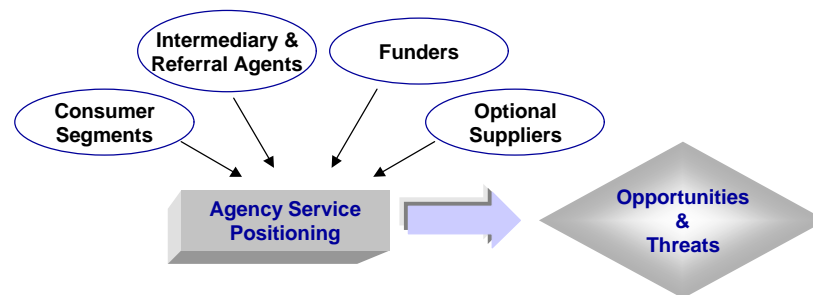
- The client/consumer trends and demands, the funding realities, the needs and preferences of the referral network, the available alternative services and their features, leads to a set of conclusions about what external market opportunities and threats are available.
- In light of these opportunities and threats, the organization needs to decide its service positioning strategy.
- The service positioning strategy is a choice of which client segments the organization wants to serve, how it intends to attract and retain those clients, and what methods/know-how it uses to deliver the intended benefits.

As the Exhibit below shows, a sound environmental assessment or scan will provide the information for a thoughtful assessment of the current service positioning of the organization. It should lead to questions about whether the current positioning is sustainable and sound.

Importantly, this assessment needs to take into account what is important to the organization — its values and mission. Perhaps your organization has some concerns about whether it is positioned effectively to be successful in the long term. Strategic planning is about rethinking issues facing the organization in light of the research findings.

Exhibit 1: External Strategic Assessment

Intermediary & Referral Agents — Funders — Consumer Segments — Optional Suppliers — Agency Service Positioning → Opportunities & Threats

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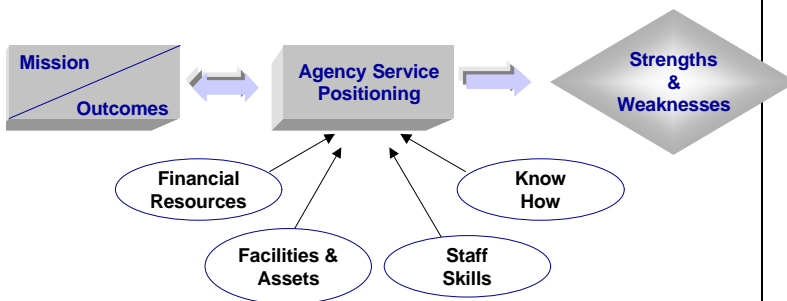

Strategy is Also About Using Your Capabilities and Resources to be Successful

Yet, providing an external report card diagnostic is not enough. One needs to go beyond that.

An internal assessment (see Exhibit to the right) of the organization or agency is also required in terms of its assets/facilities, its know-how, competencies or methods, its staff capability and resources/funding strength and reputation or goodwill. This leads to a summary view of the agency's strengths and weakness.

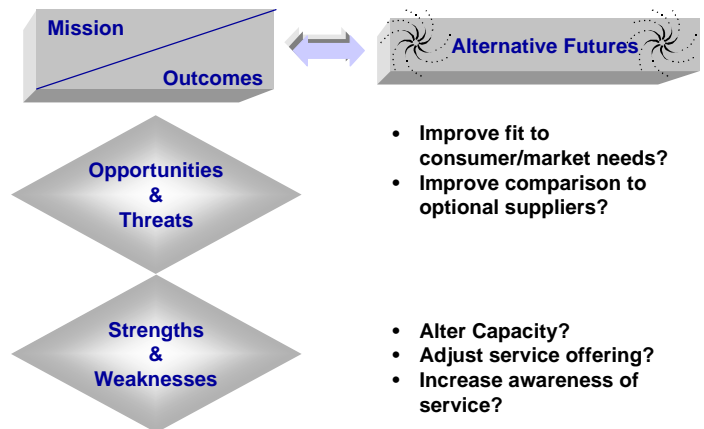

Once again, this is not simply a report card on the internal capabilities. It is an inventory to be used to address issues of service positioning. Can the existing strengths be used to alter the services to become successful in the future? Is the organization trying to serve segments of the client group it is not capable of serving well?

Exhibit 3: Internal Strategic Assessment

Mission
Outcomes
Agency Service Positioning
Strengths & Weaknesses
Financial Resources
Know How
Facilities & Assets
Staff Skills

Developing strengths, weaknesses, opportunities and threats (SWOT) is not a static process of preparing a 'laundry list'. Instead it is a part of a creative process of strategizing! This leads to questions about the alternatives for the future of the organization as suggested by Exhibit 3.

Exhibit 2: Rethinking the Future

Mission
Outcomes
Alternative Futures
Opportunities & Threats
Strengths & Weaknesses

- **Improve fit to consumer/market needs?**
- **Improve comparison to optional suppliers?**

- **Alter Capacity?**
- **Adjust service offering?**
- **Increase awareness of service?**

Rethinking and Re-Positioning Your Organization for 2003+

The purpose of rethinking an organization's strategic positioning is to develop a Strategic Plan for the organization. Typically, in these types of assignments we need to consider a number of different but related strategic issues.

- **Mission of the Organization** — Why the organization or agency exists, what purpose it serves for its stakeholders and what fields of endeavour it needs to participate in.

- **Business 'Competitive' Strategy** — How it is positioned in its sector/segment relative to its clients, referral agents and competitors, and how it succeeds in its chosen fields of service.

- **Organizational Capability Strategy** — In what areas and ways does the organization need to develop its capabilities to serve its strategy and be successful? Does it need to alter its facilities, reputation, know-how and service models?

Naturally these are related — an organization needs to be in fields in which it can be successful. Mission defines the organization's desires and

Business and Organizational Strategy defines what is possible.

The Challenge of Thinking About Alternative Futures or Scenarios

Strategic Planning is partly an analytical process of what is found about the internal and external environment affecting the organization. It also needs to engage the organization's leadership in a creative process of rethinking the future of the corporation.

To do that, we put forward some alternative futures for discussion. An 'Alternative Future' is simply a description of what could be — how the future might unfold (a scenario) and how the centre might change in terms of mission, the types of services/products it offers, how it does its business, and what the organization looks like. By proposing a series of optional futures, the stakeholders can truly rethink how the organization should evolve based on their interpretation of the analysis and their judgement.

This is a technique that engages the leadership effectively and brings groups to consensus about broad strategic directions.

Exhibit 4: Alternative Futures

ENVIRONMENT

Big Uncertain Questions → Alternative Futures # 1

Big Uncertain Questions → Alternative Futures # 2
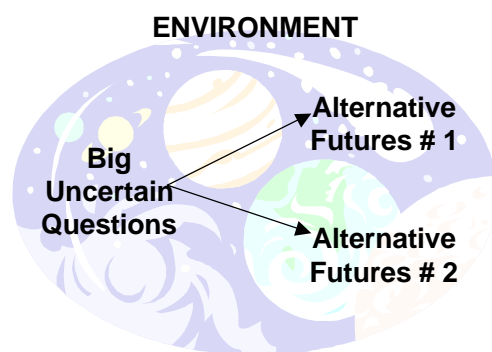
Turning Strategic Directions into Practical First (Strategic) Steps

Addressing the alternative futures and devising overall strategic directions is not enough, however. There needs to be a clear plan to guide the agency over the next three to five plus years, and a set of action initiatives for changes in the next year or so. Without practical first steps — ways to start the process and invest resources in making the plan happen — the plan is simply a paper exercise. The final piece of strategic planning is about strategic action.

Our Typical Project Deliverable: A Strategic Plan

The deliverable from this type of assignment is a Strategic Plan for the client organization.

The Plan normally includes the following components:

- **Vision and Mission for the Organization** — A revised statement of the vision for the organization in terms of its purpose and identity over the next five plus years — who it will serve/benefit, what it will do and why it will succeed.

- **Strategic Positioning** — An outline of who the organization will serve by providing what programs or services to whom. This description will include the rationale for selecting this position and explain why it will succeed.

- **Implementation Requirements & Strategy** — The how to's at a broad level. A description of how the organization will deliver its programs/services, explaining how the plan is viable on a sustainable basis, and how the current organization will need to change to be successful.

- **Strategic Action Initiatives** — The critical action areas for the next year to begin the implementation process.

Characteristics of a Sound Strategic Business Plan

A Strategic Business Plan, whether it is in the public, private or non-profit sector, must satisfy a number of requirements. Put simply, it must be desirable, feasible and acceptable.

A *Desirable Plan* will be successful in a number of respects. It provides consumers/users/intended beneficiaries with value. It favourably positions the organization and its offering of services relative to other organizations.

A *Feasible Plan* is based on a viable and sustainable economic formula. It is also within the realistic reach of the organization. The organization, its people and resources can do it.

Finally, an *Acceptable Plan* passes the tests for the owners, investors (funders) and key stakeholders who must 'buy into' the plan. It responds to their concerns and to their view of risks and returns/benefits.

These, once tailored to the organization, provide criteria for evaluating alternatives.

A Preview of our Consulting Approach: Stakeholder Participation

There are a number of basic principles governing participation and process design.

- The leadership of the client organization needs to shape and drive the content conclusions.
- Key stakeholders need to be consulted as part of the process.
- It is wise to get opinion from key stakeholders, inside and outside the organization, on the preliminary conclusions before taking a firm stand on direction.
- The time of volunteers and stakeholder representatives needs to be economically and effectively used.

To meet these principles, we encourage clients to include the following ingredients in the process.

Establish a Strategy Working Group — This group will guide and develop the content for vetting with stakeholders. We suggest that the consulting team work closely with this group. Members will also be expected to attend a Strategy Workshop and to provide comments on draft material. The composition of the group is open for discussion but we normally suggest a core group consisting of the three (3) managers and 2 or 3 external individuals to bring an outside perspective.

Meaningful Consultation with Stakeholders — Central to our approach is an appreciation for the value of stakeholder involvement. We want to go beyond the costly and time-consuming process of getting 'input' from members and stakeholders. Instead, we propose to engage those stakeholders in the process and the debate. This will create a greater understanding of the issues, the content choices and the ultimate decision. It will also involve them in a meaningful way in the process.

We combine approaches to gathering opinion. We typically hold interviews with some key informants and also organize some scenario-brainstorming sessions with groups of "like" participants to provide early input to the process. For these sessions, we provide, in advance, a brainstorming guide and structured set of questions explaining what we are trying to accomplish and describing the process.

A One-Day Scenarios Workshop with Broad Stakeholder Attendance — A broad range of opinion and stakeholder involvement is sometimes needed to debate and vet the preliminary content alternative futures. We achieve this through a scenarios workshop about two-thirds of the way through the process. At that point, there is normally something concrete enough to discuss but it is early enough in the process for the participants to influence the resulting plan.

Roles of the Consultants

Our consultants support the planning process in the following ways:
- **Process Design Advice.** We help the Senior Executive finalize the design of the process.
- **Information Gathering and Analysis.** Our team gathers information, conducts interviews and brainstorming groups, and undertakes any additional research necessary.
- **Create Optional Scenarios and Alternative Futures for the Agency.** We help and support the Working Group to develop the alternative visions for the organization

recognizing a number of different scenarios. The Berkeley Consulting Group can 'fast track' that process by using our well-developed expertise in this area. We have proven creative skills at developing and presenting optional designs.

- **Facilitation of the Process to Find Common Ground.** Berkeley consultants lead the meetings and proposed workshops. We often have one consultant play a 'content' role and

another to lead the process. This provides a team approach that ensures the constructive and necessary conflicts in the process are managed and addressed.

- **Plan Documentation.** In the end, a plan is needed. We develop this document based on the management decisions and consensus during the process.

Berkeley supports senior management to lead their organizations through strategic transitions to create the capacity for sustained successful performance. Supporting this mission, Berkeley's practice includes strategy development & planning, organization design, change management, outcome management, and leadership feedback and development.

Formed in 1986, Berkeley Consulting Group, a Canadian partnership, has a full time staff of 5 consultants and support staff in our Toronto office. The office supports our affiliate Berkeley Feedback & Development Inc. and its associate in London England and Berkeley's network of twelve consulting associates in Ontario.

Berkeley's philosophy and consulting approach is captured in the phrase, *Collective Wisdom…Fresh Ideas*. Berkeley's core competence lies in its ability to bring seasoned associates together as a team, to use leading edge methods applied to the client's strategic challenges so that results are delivered with cost–effective use of consulting dollars and management time.

- Our consultants are knowledgeable and experienced in their industry or part of the public sector.
- Our teams are formed to fit the client's needs and not just to utilize available junior staff.
- We think about each project on its own merits and avoid simplistic black-box answers.
- We combine sound analysis and thinking with effective process to promote implementation.

To keep 'fresh' and broaden our network, Berkeley has linkages with other organizations. For over a decade, we have worked with the Rensselaerville Institute (TRI), a non-profit organization in New York that is a leading edge player in public sector results and outcome management. We also have close links with academic learning centres, since Berkeley's Managing Partner is an Adjunct Professor of Strategic Management at Schulich School of Business (York University).