

Creating your strategic space

The research for the book "Dealing with Dilemmas" revealed six basic dilemmas that can be found in most organizations.

A good start would be to assess how you currently deal with dilemmas, creating a diagram that describes your strategic space. The diagram lists the strategic dilemmas I have identified and scores you on each of them. A strategic space looks like in figure 1.

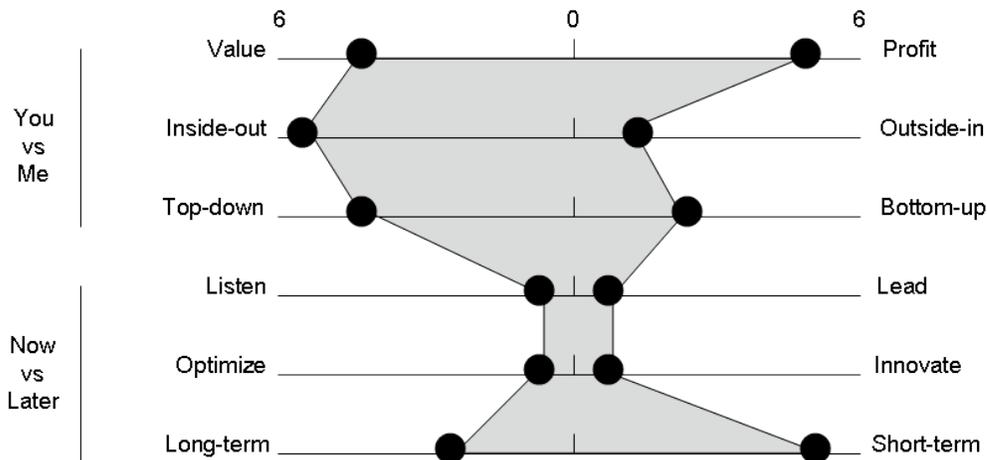


Figure 1: Strategic space

In many cases organizations will have a *strategic bias*, this means that they typically approach a dilemma from one side. They tend to be more inside-out driven than outside-in, or more top-down oriented than bottom-up. You have an either/or attitude, and it is usually 'either' that is chosen. The dilemma can be predicted, the need for addressing the opposite side is clear, but it takes the organization out of its comfort zone. It takes extraordinary effort to deal with issues caused by the other side of the dilemma. If you score low on both sides of the dilemma, this means you are *strategically stuck-in-the-middle*. You are neither good in one nor in the other side of the dilemma. If you don't listen and you don't lead, if you don't optimize and don't innovate, every choice you make will take you out of your comfort zone. However, if you score high on both sides of the dilemma, you have found a way to reconcile both sides of the dilemma, through finding synthesis or through creation options. You have achieved *strategic stretch*. The more you achieve strategic stretch throughout the list of dilemmas, the bigger your strategic space.

A true assessment requires reflection, the ability to take a hard and honest look at your organization. Although perhaps not politically correct, moving from an either/or approach to an and/and attitude requires deep understanding not only of the organization's strength, but also at its weaknesses. A quick way to get you started is scoring yourself on the following questions. A score of one means you tend to disregard the subject, scoring a three means you do average, nothing spectacular. If you score yourself a five, that means you consider your organization to excel in that respect and it constitutes a strategic

differentiator. For each side of the dilemma, there are three questions. One question is about the strategy of your organization. Another question deals with organizational aspects, such as processes, methodologies and measures of success. The third question addresses cultural aspects. In case the specific question does not relate to the reality of your business, answer the question in the spirit of it.

Assessing Your Strategic Space	
Value	Profit
<ul style="list-style-type: none"> • S1: Do you involve key external stakeholders, other than investors (such as partners and customers) in making strategic decisions? • O1: To what extent do you hire sales representatives that are long term relationship builders, and measure customer satisfaction and repeat business? • C1: When making decisions, to what extent does your organization truly focuses on what is best for the customer? 	<ul style="list-style-type: none"> • S7: Is the creation of shareholder value central to strategic decision-making? • O7: To what extent do you hire sales representatives that hunt until they close a deal, and then measure them on revenue? • C7: When making decisions, does your company focus mostly on the question “what’s in it for us?”
Total score:	Total score:
Inside-out	Outside-in
<ul style="list-style-type: none"> • S2: To what extent can your strategy be characterized as “focusing on the core business”? • O2: How would you score the quality of your product marketing? • C2: To what extent are employees encouraged to behave entrepreneurial, for instance being empowered to make immediate decisions? 	<ul style="list-style-type: none"> • S8: To what extent does the organization know how to recognize sudden new opportunities in the market and seize it? • O8: How would you rate the quality of your relationship marketing? • C8: To what extent can your culture be described as seeking conformity and consensus throughout the organization?
Total score:	Total score:
Top-down	Bottom-up
<ul style="list-style-type: none"> • S3: When there is a strategic change, to what extent can you translate new financial goals into updated operational plans? • O3: Are most people in your organization informed about financial performance indicators, such as profit, cost and EVA? • C3: Do you and your colleagues know exactly what top management expects from you? 	<ul style="list-style-type: none"> • S9: To what extent can you measure the financial impact of changes in operational company resources (capital, people, systems, materials)? • O9: Are operational performance indicators, such as production, waste, speed and quality shared broadly in your company? • C9: Do you know exactly what your colleagues in other business domains expect from you, and vice versa?
Total score:	Total score:
Listen	Lead
<ul style="list-style-type: none"> • S4: To what extent is your strategy based on being very close to the needs of your customer, in other words ‘customer intimacy’? • O4: To what extent is your organization 	<ul style="list-style-type: none"> • S10: To what extent is your strategy based on product or service innovation to differentiate from the competition? • O10: To what extent is your organization structured around the products you produce

<p>structured around customer interaction processes and channels?</p> <ul style="list-style-type: none"> • C4: To what extent is your organization looking to jump on the bandwagon of new customer trends? <p>Total score:</p>	<p>and sell?</p> <ul style="list-style-type: none"> • C10: To what extent is your organization always on the forefront in setting new trends? <p>Total score:</p>
Optimize	Innovate
<ul style="list-style-type: none"> • S5: Do you agree with the following statement: “For us, innovation and improvement is a process of continuously taking small steps forward”? • O5: Have you embraced lean, six sigma or related concepts? • C5: Are people that drill-down into issues deeper than anyone else seen as the ‘heroes’ in your organization? <p>Total score:</p>	<ul style="list-style-type: none"> • S11: Do you agree with the following statement: “For us, innovation is about making dramatic moves in the market, like large acquisitions or revolutionary new products and services” • O11: How would you characterize reorganization processes in your organization? • C11: ‘Out-of-the-box’ thinkers are recognized most in your organization? <p>Total score:</p>
Long-term	Short-term
<ul style="list-style-type: none"> • S6: Is it clear to all employees what the long term vision of the organization is and the road ahead? • O6: How would you rate your product life-cycle management? • C6: Does your organization agree with the statement “You need to fix the roof during summer” (meaning, reorganize and save money when times are still good, to be able to weather bad times)? <p>Total score:</p>	<ul style="list-style-type: none"> • S12: To what extent is it clear to everyone how and how much their daily activities contribute to the every day success of the company? • O12: How would you rate your level of insight into customer and product profitability? • C12: Does your organization agree with the statement “We’ll cross that bridge when we get there” (meaning, better to wait until bad times are here and we understand them, so we can take the appropriate action to save cost and reorganize)? <p>Total score:</p>
<p>Total score Strategy questions (S1-S12) :</p> <p>Total score Organizational questions (O1-12) :</p> <p>Total score Cultural questions (C1-C12) :</p>	

With these scores, you can plot your strategic space, and discover your strategic biases, strategic stretch, and where you are strategically stuck. Particularly in areas where you score only average, it is important to look at the distribution of the three scores. You may for instance score high on strategy, but low on culture. This result may indicate a misalignment in your organization, and probably a continuous source of struggle. On a positive note: the area where you score high, for instance on the organizational level, may be a good starting point to improve scores in the other areas as well, like strategy and culture. Further, it is worthwhile to compare total scores for strategy, organization and culture. If you score high on strategy, but not on the others, you may have an execution issue in the organization. If you score high on organization, but not on the others, the

organization probably is 'cruising' and strategically vulnerable in economically stressful times. If you score high on culture, but not on the others, there is certainly intent and ingredients for success, but they are not pulled together. The organization is a hotbed for talent, but it is not turned into results.

With an assessment of current results on the table, your strategic space, the next logical question is: how to we increase our strategic space, and span more dilemmas? That's what the book *Dealing with Dilemmas* is all about.