

Reconsidering your business strategy: A time for strategic refocus and realignment

by

Marius Meyer

The early phase of the lockdown consisted of the boards and management teams of companies drawing up crisis and disaster management plans in response to the coronavirus epidemic in South Africa. Depending on how Covid-19 would affect your business, different types of contingency plans were drawn up to deal with the disaster in response to the impact thereof on your operations, customers, suppliers and staff.

Many businesses were totally caught off-guard, while others managed to develop appropriate responses in dealing with the short-term crisis first. And then of course, there is also the element of luck, or should I say bad luck in many cases. You could have been in a lucrative and high profitable tourism, restaurant or hairdressing business for decades, but your operations were ceased overnight and you were “punished” for being in the wrong business. Other companies like retailers and pharmacies were fortunate that they are providing essential services and could continue operating given the demand for their products in the market, albeit with some restrictions. Be that as it may, whether in times of opportunity or crisis, business success depends on the quality and execution of your business strategy. Thus, today my challenge is for business leaders to reconsider and refocus their business strategies in the light of the devastating socio-economic impact of the coronavirus pandemic.

In the light of the above exposition, here are some guidelines to review your business strategy:

- Your top strategic priority during this time is leadership development and employee wellness with a particular focus on strategy, people management and risk management.
- Your business strategy needs an explicit purpose statement clarifying the reason for your company’s existence, often expressed as a vision and/or mission.
- You should have clear strategic priorities or themes expressed first in a diagram fitting on one page, supplemented by a detailed strategic plan. If you can’t show your business strategy on a one page attractive and logical diagram, you don’t have a business strategy. Convert your strategy into an infographic to make it attractive and user-friendly.
- Scan the environment and assess the impact of external and internal factors on the success of the company, including a comprehensive competitor analysis.
- Adopt a stronger future-fit focus. Too many strategies were generated in the pre-2020 period and remain only relevant for that period. We now need a proactive and more dynamic design thinking approach to strategise for the post-2020 era.
- Create scenarios on how the Covid-19 crisis affects your business, and remodel your business plan and resourcing based on the most likely scenario and plan accordingly.
- Conduct a comprehensive stakeholder analysis of your business and improve on your stakeholder engagement and follow-up capabilities.

- Ensure that your business value chain is clear for all stakeholders in the business.
- Reprioritise your strategic themes, now is the time to put people first (move them up from being last on your list to being first, and manage like this going forward).
- Likewise, reprioritise your values – your values dealing directly with people, such as being a “caring” employer, “compassion” and “people-driven” should move to the top.
- Develop a clear people strategy to enable your overarching business strategy.
- Include your strategic model figure and values into the agenda and minutes of all your meetings.
- Ensure that your financial and resourcing plans enable the execution of your strategy.
- Assess the contribution of different governance structures to the successful oversight, planning and execution of your strategy.
- Integrate your business strategy into the corporate governance, risk and compliance framework of your business.
- Make your strategy simple and clear. Using too many different conflicting or overlapping jargon will weaken its strategic impact, for example, it does not make sense to have different lists of values, principles, attributes and themes.
- You should have business goals you want to achieve, followed by specific actions.
- You need clear target dates for the different phases or milestones of your strategy.
- The roles and responsibilities of key stakeholders should be outlined.
- You should have appropriate and explicit measurements making it clear how you will measure progress and success.
- Your strategy framework should be visible: It should be on your walls, on your screensavers, in your board rooms, in your tea rooms, on your website and all other places where people can see and live it every day.
- Reconsider your organisation design to ensure that it is fit for purpose.
- The most important committee in your company is the one working on your organisation culture. Give that committee status and room for building an organisation culture that will take your company to a new level of strategic significance and performance.
- Spend more time reading your latest integrated report and make key aspects of it visible in the company.
- Ask your employees and customers for inputs on your strategy and adapt your strategy accordingly.
- Communicate at least one formal message from your CEO per week on progress made with your strategy. This message should come directly from the CEO and always at the same time, for example Monday mornings or Friday afternoons. It should be personal and not contain too many aspects and headings and refer to at least one aspect of your strategy, while communicating a strong personal caring message during this crisis.
- Develop an app with a strategy dashboard so that you can measure progress in real-time.
- Every manager chairing a meeting should make the strategy visible in the meeting, and every meeting should cover the strategy. If it is not possible to do so, then the meeting should be cancelled.
- Build strong strategic capabilities for the business so that strategy in itself becomes a core business strength.
- Drive innovation and identify new opportunities in the market and adapt your strategy accordingly.
- Align your performance management to the strategy of the company.
- In addition to the obvious roles of managers as drivers of the strategy, create a pool of strategy change agents throughout the business.

- Create regular strategic conversations in the business and be critical about your gaps and strategic successes.
- Identify and remove all obstacles to the execution of your strategy.
- The most important questions to review are whether the strategy has impact, and whether it is fit for purpose and makes a real difference.
- Cancel your annual legotlas and bosberade, rather do monthly and weekly reviews.
- Ensure that employees at all levels of the organisation understand and execute the strategy on a daily basis. If employees at all levels cannot explain your business strategy, your execution will fail.
- Evaluate all projects in the business against your strategic priorities.
- The social role of business should be more explicit during the coronavirus epidemic. Elevate the role of your ethics and social committee during this time.
- Monitor, evaluate and audit your business against the strategy and address any gaps in the process.
- Continuously align your business strategy to changing circumstances and implement the necessary improvements.

The strategy of a business is the most important document in the company. If it is not so, then you are wasting your time keeping people busy with unnecessary projects, meetings and work, and you should not be surprised that you will have strategy-execution gaps. Your strategy should be alive and a daily call for action and focus. We also need more openness, honesty, critical thinking, insight and transparency in challenging the status quo, including our strategic priorities. Too many companies claimed to have a “digital transformation” strategy in the pre-Covid-19 era, but when forced to go into lockdown were caught with their pants down without any real digital business plans and capabilities.

Admittedly, certain economic sectors are in total lockdown and distress and will require extraordinary efforts to survive. Sadly, though, many will not survive, despite the availability of temporary relief funding. We cannot continue with business as usual, and will therefore need a total new way of doing things in moving away from hopelessness to hope and change. It is in moments like these, that entrepreneurial thinking and strategic insight is needed to transform society and economic sectors. New forms of collaboration, even with competitors are needed to ensure the survival of companies.

While contingency planning dominates operations at the moment, and understandably so, this is also a good time to review and question your business strategy, in particular focusing on its effectiveness. Your strategy constitutes your reason for existence, and is therefore like Covid-19 a matter of life and death. Embrace strategic thinking and action during this crisis period. Perhaps while working from home, it gives you a good opportunity to look at your business strategy critically, and using an outside-in approach to distance yourself from the business in achieving a new level of objectivity and critical review of your strategy. Use this time of reflection as a journey of strategic thinking, discovery and refocus in reconsidering everything you do in your business. May this time of strategic refocus and realignment in 2020 be remembered as a critical moment of strategic turnaround and growth of your company, amidst the most difficult time in the history of your business.

Marius Meyer is Chairperson of the SA Board for People Practices (SABPP) and lectures in Strategic HR Management at Stellenbosch University. For more information about the coronavirus and Covid-19 visit www.sacoronavirus.co.za