

Richard Whittington Going live: making strategy work



Prof Richard Whittington



Dr Helen Perry

Strategy workshops are a recurring theme in most large companies, blocked out on corporate calendars year after year. But does anybody really know what the successful ones achieve—and the damage done by the rest?

According to Richard Whittington, Senior Associate of SCI and Professor of Strategic Management at the University of Oxford's Saïd Business School, strategy workshops can play an important role in key aspects of corporate life, communicating important ideas and boosting morale. But as he tells Helen Perry, to be really successful you need more than that—you need to bring strategy to life.



HJP: Strategy workshops are a near-universal phenomenon in the corporate world. But are they what everyone thinks they are?

RW: Strategy workshops do help in making strategy. But they are also excellent for communication, team-building and, particularly, management development—and that's often what makes them most attractive.



To a very great extent, success depends on the visible commitment of senior management, particularly the CEO. A surprising number of CEOs embark on strategy workshops simply because it is the done thing—part of the organisational routine—rather than something they have bought into. There must also be agreement on clear action points, and on milestones.

HJP: Plenty of management authorities—Mintzberg, Hamel, Prahalad—criticise traditional strategic planning as formulaic, if not completely outdated. Are they wrong?

RW: There has always been a great deal of criticism of all sorts of planning. So why do people still do it? Well, partly it is because strategic planning—and the workshops that go with it—allow for a synergy between planning and the emergence of new ideas. So instead of a once-a-year meeting where members of staff were simply informed of strategy, there tends now to be more frequent strategy workshops, serving as a means of controlling and interpreting strategy.

HJP: Should organisations be working to make strategic planning a more constant process?

RW: Yes. And many companies are doing just that, for example by organising strategy workshops as part of a series over time rather than one-off events. Others are going further still, developing new ways of thinking about strategy as a continuous process. One company we are working with has transformed what is the anchor of any planning process—its strategy document—into a living, electronic text that is available to all staff to review and is continuously adjusted and revised.



HJP: But that must have problems of its own—not least controlling how, when and by whom adjustments are made?

RW: In this case only the chief executive and the head of planning input any changes, but members of staff are able to post comments and suggestions, making the strategic planning process more open, accessible and inclusive. But of course it



also requires mechanisms for assessing the direction and pace at which the company is moving along its strategic trajectory.

HJP: Nurturing a “living” strategy document must also require a very clear sense of what constitutes strategy—of how forward-looking strategic planning needs to be.

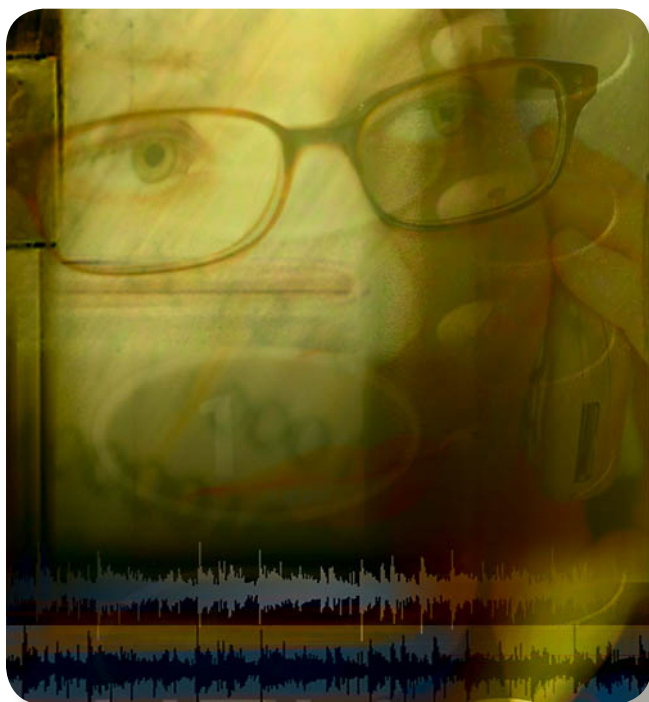
RW: That’s true. I would say that strategy is about articulating ideas beyond the budget horizon—so more than a year ahead—but not necessarily deciding on those ideas. A strategic planning document should provide a framework for thinking about the future, providing context and communicating ideas going forward.

HJP: What makes a strategy workshop successful? Are signs of failure obvious from the outset?

RW: To a very great extent, success depends on the visible commitment of senior management, particularly the CEO. A surprising number of CEOs embark on strategy workshops simply because it is the done thing—part of the organisational routine—rather than something they have bought into. There must also be agreement on clear action points, and on milestones. Here, facilitators can be very helpful, coming back six months later and helping managers assess what progress has been made.



There are two main inputs. The first is clarity of objectives. Without clear objectives, any workshop is doomed to failure. But with clear objectives, workshop facilitators can help managers design different sorts of processes that will actively involve participants and generate useful insights.



Very often, an extremely successful event can lead to nothing, generating bitter disappointment among staff and poisoning the atmosphere for any later workshops.

HJP: How important is it to include lower level managers in strategic workshops, particularly given the trend towards flatter hierarchies?

RW: It is important on two fronts. First, including a wider range of staff is good for morale. But involving lower level staff in strategy conversations is also extremely important in terms of developing the next generation of senior managers. This is especially true of workshops aimed at implementation and/or communication, as opposed to those focusing on a major corporate reorientation. Flatter hierarchies have shrunk business units, decentralised decision-making and made managers more accountable, with the result that a greater number of lower-level managers are now likely to need—and even lead—some type of strategy workshop.

HJP: What makes for a successful strategy workshop?

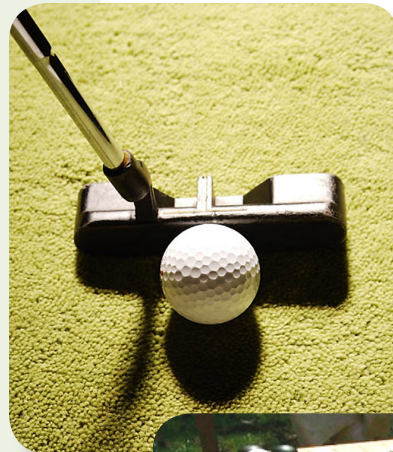
Every organisation needs to be much more explicit about the strategic planning process—and not just internally. The outputs of the strategic planning process are critical both to the credibility of senior management and to their ability to win continued support from stakeholders.

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HJP: And the second?

RW: The second input is preparation. Without preparation, workshops rapidly degenerate into a series of presentations of basic data—a marketing report, an accounting report and so on. So it is critically important to collect and circulate data and opinions early, leaving the actual workshop for discussion and debate. And senior managers must be aware that if they want to be influential in the course of a strategy workshop, they need to put time into it beforehand—as much as a full day's preparation for a one-day session.

HJP: Do you expect changes in corporate governance regulations, particularly in the US and Britain, to have an effect on the process of strategic planning?



RW: Every organisation needs to be much more explicit about the strategic planning process—and not just internally. The outputs of the strategic planning process are critical both to the credibility of senior management and to their ability to win continued support from stakeholders, particularly shareholders. In fact, formal strategy has become more important as shareholders

have become more vocal and more powerful. Purchasing a share is now more clearly seen as buying a promise of future profits, and that promise is based on strategy.

HJP: What are the permanent constraints to 'perfect' strategy?

RW: The world is an uncertain place, organisations are political, and we are all not as clever as we would wish.

Further reading

Hodgkinson, G. P., Whittington, R., Johnson, G. & Schwarz, M. 2006. The role of strategy workshops in strategy development processes: Formality, communication, co-ordination and inclusion. *Long Range Planning*, 39: 479-496
Whittington, R., Molloy, E., Mayer, M. & Smith, A. 2006. Practices of strategising / organising: Broadening strategy work and skills. *Long Range Planning*, 39: 615-629.

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