



THE STRATEGY DEVELOPMENT FRAMEWORK

Strategy is a set of choices leading to coherent actions that achieve our aspirations



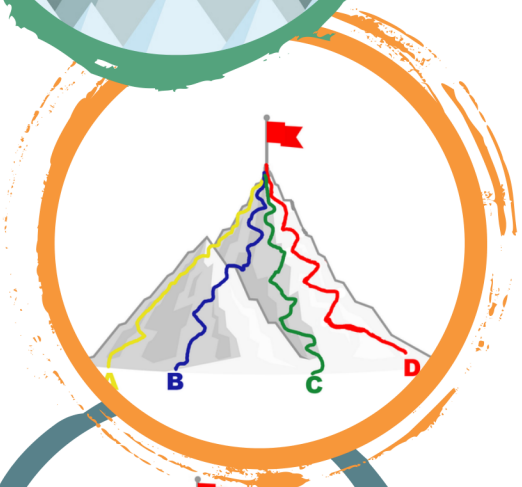
1 Define Strategic Intent

The statement of strategic intent helps answer 'why' you are developing a strategy. Ask yourself:

- What is changing in the world?
- How are these changes relevant?
- What are our aspirations?

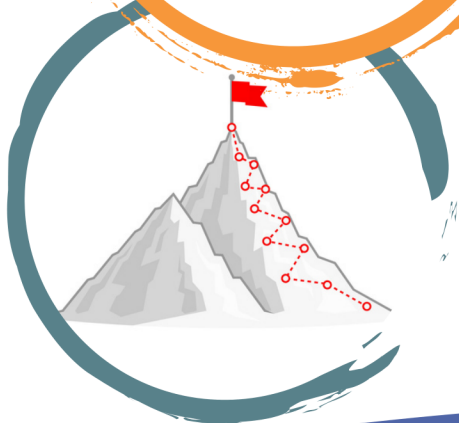
2 Articulate Options & Beliefs

By documenting multiple options and articulating what we believe must be true for each option to be valid (versus what we believe will happen), we can avoid ideological debates about an uncertain future. This phase of the framework taps the team's diverse expertise and intuition about trends, other actors' competitive responses, and our own ability to execute.



3 Activate & Test a Strategy

In this final step we turn strategy into action by putting a strategic option in motion. This involves selecting a strategic option, articulating a test plan, identifying triggers for re-evaluation and communicating the strategy across different levels of the organization.





STEP 1: DEFINE STRATEGIC INTENT

“If I had an hour to solve a problem, I’d spend 55 minutes thinking about the problem and five minutes thinking about the solutions” – Albert Einstein



What is changing in the world?

Markets and value networks are systems built on social, economic, and technical foundations. Changes in the world can shift these foundations. Some changes are obvious and known throughout your industry. Others are less obvious yet still significant. With shorter periods of market stability driven by technology changes in most industries, foundational changes provide more frequent opportunities and threats than in the past.



How are these changes relevant?

Thinking about how changes are relevant can help you think differently about strategy and uncover new opportunities. Consider whether the changes create opportunities to extend or defend your existing business. Do they create openings for your business to grow into adjacent markets? Or are there new markets that can be created and can you play a new role in these new markets?



What are our aspirations?

Once we’ve developed a clear picture of the changes and their potential impact, we can decide if and how we will respond to opportunities/threats provided by these changing market forces. The resulting decision/response is our aspiration.



Statement of Strategic Intent:

Recognizing [changes in the world], [entity] desires to [aspiration] in order to [opportunity].





STEP 2: ARTICULATE OPTIONS & BELIEFS

Possibility Thinking Mindset: "That's a great idea! What do we have to believe to be true for that option to achieve our aspiration?"

What must be true?

There are always multiple ways to achieve a strategic intent. What makes one option preferable over others is what must be true for each option to be viable and good for your entity.


By documenting what we believe must be true for each option to be valid (versus what we believe will happen), we can avoid ideological debates about an uncertain future. This phase of the framework taps the team's diverse expertise and intuition about trends, other actors' competitive responses, and our own ability to execute.


Options/beliefs can be viewed as a set of testable hypotheses. Avoid generic statements of belief such as 'we will win'.

Refine options and beliefs to...

- ... consider multiple futures. Which beliefs are common and which distinguish options? Can you dial up the contrast to drive the right discussion? How can you prepare for possible scenarios that are outside your control?
- ... include critical dependencies (e.g. suppliers, partners, customers, competitors, market dynamics etc.).
- ... make explicit what you choose not to do.
- ... avoid common pitfalls such as judging options, jumping to a solution too quickly, or providing no choice (i.e. formulating a strategy where you must do all options).

Consider possible outcomes

- What outcomes do you anticipate as the result of strategic choices? Do the outcomes fulfill your aspirations?
 - What value/ROI does each option contribute to your entity?
 - What indicators & milestones might you track to gauge success?
 - What might be key risks and mitigation plans for each option?
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STEP 3: ACTIVATE AND TEST A STRATEGY

"A goal without a plan is just a wish." - Antoine de Saint-Exupéry



Select an option

It is time to turn your strategy into action by putting a strategic option in motion. In selecting an option for activation, consider:

- Does each option (beliefs/details/outcomes) generate an argument that is both valid (i.e. a logical argument between the beliefs and an option) & sound (i.e. the beliefs are likely to be true)?
- Does each option (beliefs/details/outcomes) generate a hypothesis that is testable?
- What is the estimated probability of each belief set coming true?
- Which option is most likely to achieve the strategic intent?
- What is the relative value of each option outcome (ROI/cost/risk)?
- What is your entity's potential to execute the option successfully?



Identify triggers for re-evaluation

What changes would trigger a need for you to re-evaluate your strategy? To prepare for this, ask yourself:

- Are future states stable or likely to change?
- What changes in the world would alter our beliefs?
- What events change relative probabilities?
- How often will we evaluate beliefs and outcomes?
- What metrics will allow us to assess our success?



Activate the strategy

- Identify who owns the execution of the strategy. Are resources prioritized appropriately? How do you need to structure the organization to avoid internal conflicts/rigidities? What partners can accelerate/enable your execution and give you incumbent advantages?
 - Strategy activation is not just about putting a strategic option into motion. It is also actively and openly collecting data that validates the belief set foundational to each option.
 - Develop a communications plan tailored to different levels of the organization (the working team, decision makers, the organization at large) and beyond (e.g., partners, customers, investors).
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