

# Reporting Strategy Insights

## Introduction

- Strategy tools and frameworks can lead you through a lot of hard work as you perform a strategic audit for a company. How do you report your insights and emphasize what you have learned?
- DOING strategy work vs CATEGORIZING insights:
  - The Four D process (describing, diagnosing, developing and deploying) is a high-level method to DO strategy work.
  - But decision makers care about the INSIGHTS, not the process. Nobody cares if you used the Four D process. **They care about the key outcomes of your work, what you learned and why it matters for the business.**
- **Consider a strategist doing a strategic audit for Ford in 2018.** She completes the analysis and realizes that Ford lacks the capabilities to compete in the passenger car segment. Her recommendation might be for Ford to exit that segment.
- How might she present her work? Executives don't care about her external environment analysis. They DO care about WHAT she thinks based on her analysis.
- There are three ingredients to an effective strategy presentation: **(1) build the foundation, (2) highlight the insights, and (3) map out the recommendations.**

## 1. Build the Foundation

- For her insights and recommendations to make sense she needs to build the foundation for her work. This is done by clearly, quickly and directly *describing* the existing strategy.
- Strategy is a compelling set of answers to four key questions: **where do we compete, what unique value do we offer, how do we deliver that value, and how do we sustain our ability to deliver that value?** Answers to these questions explain why a business works now and in the future.
- Do not assume executives and key decision makers already know those answers. Reviewing those questions is not a waste of time. It is important for at least three reasons:
  1. Companies often fail to understand key aspects of their own strategies. Sometimes managers and executives do things that work without fully understanding why. **Every company has a strategy, but not every company can articulate what its strategy really is.**
    - It is possible that Ford has incorrect assumptions about why customers buy their passenger cars. Articulating Ford's strategy will bring these misconceptions to the surface and help executives see a different reality.
  2. **Different decision makers may have different perspectives on the company's strategy**, even within the leadership team.
    - Executives may believe customers buy Ford cars for different reasons (brand, price, quality). Each one implies different strategic decisions.
  3. Describing the company strategy **allows decision makers to understand the assumptions underlying your recommendations.**
    - If you recommended investing in cost cutting capabilities to leaders who believed customers bought Ford due to the brand, you may be laughed out of the room! But if you explain why you think their strategy revolves around

customers buying due to low price, those leaders will understand why you made the cost capabilities recommendation.

- Start with a clear and careful articulation of the company's strategy. Sometimes just doing that is the most important work you do for a company!

## 2. Highlighting the Insights

- Now you can highlight your insights in a way that will make sense to your audience. Your insights are the tip of the strategy iceberg, while the details of your analysis remain below surface.
  - In our Ford example, our strategist may mention that she has done a PEST analysis and one key insight is that customers seem more interested in electric vehicles moving forward. Rather than mentioning all the points from her detailed PEST analysis, she focuses on this one because it is central to everything else.
  - She might then mention her industry analysis and describe a shift in buyer power that makes mass market cars a much less profitable segment. Again, rather than going through all the points, she focuses on data and information that supports this one critical point that came from her analysis.
  - Then, she might shift to her internal analysis tools and bring out a few key points. She may highlight Ford's lack of resources and capabilities around EVs, where the market seems to be going. Thus, Ford does not seem to be able to compete in this shifting external environment.
- Executives can always ask for more details if they want, but many of the details stay below the water line. Appendices are great for these additional details.
- Highlighting the insights shows what sticks out from the strategy analysis. Are external shifts positive or negative for our business? Does our unique value fit with the changing external environment? Do our resources and capabilities fit our new external realities? Calling out and supporting these insights sets up our recommendations.

## 3. Mapping out Recommendations

- Your insights should lead to recommendations that fit with those insights. Recommend anything that flows naturally from the insights you highlight and seems to improve the business' value creation potential.
  - In our Ford example, our strategist could make several recommendations:
    - Going aggressively into the mass electric vehicles market. But one of her insights suggests Ford doesn't have the capability to compete there now.
    - She could recommend investment in building those capabilities. But her analysis suggests that Ford will be a distant follower by the time they have a viable passenger EV on the market.
    - Alternatively, she could recommend that Ford exit the passenger car business. Ford's resources and capabilities are less useful in this changing segment.
- This as an example on how to present the results of a strategy analysis.

## Conclusion

- Strong reports and presentations include (1) building the foundation, (2) highlighting the insights and (3) mapping out recommendations. These steps help everyone stay on the same page before sharing your insights, and then connect your recommendations to your insights.