2 Getting Started: First Steps – Getting a Team Together

Introduction

In this chapter we will take the first three steps in strategy making: identify the organization (or part of it) which will be the focus of the strategy, choose a client, and bring together a group of people to form the strategy-making group.

While many organizations pay lip-service to strategic management, relatively few take it seriously enough to invest time and energy in it. In particular, strategy making at lower levels and in small units of the organization tends to go by the board, as more urgent issues constantly sidetrack managers and other key individuals. Yet sectors, divisions, departments and other small units need to develop their own strategies, as well as contributing to the organization’s overall strategy.

This chapter of our strategy-making process begins by pointing out that making and updating strategy is seldom if ever the work of a single manager. It is usually pointless when undertaken by a staff planner¹ because the power brokers who drive the organization have no ownership of the strategy. Strategic change is achieved by groups of managers who gain ownership because they are a part of the thinking process – the journey.² The challenges can be considerable, and include a whole range of difficulties that typically confront change agents. The composition of the strategy-making group, and the roles that its members adopt, are critical issues, especially when we consider that it is rare for there to be no casualties as a result of effective strategy making.

The strategy-making group may be a subgroup within a unit, department, division or operating company. It does not have to be the top management team of the whole organization.³ The group may be managing a relatively small part of a much larger organization. In such a situation, the wider organization forms part of the group’s external environment: a powerful and very interested stakeholder, but not necessarily the sole determinant of the strategy that the group will develop.

Thus the role and composition of the strategy-making group is crucial, because it is the powerhouse of change. So, ideally who should be a part of the group? The key people are those who have the most power and influence⁴ –
the power brokers – who can therefore contribute most to driving the delivery of the strategy, but also those with the knowledge, experience and skills that should influence the process. Of course, any individual may possess both attributes, just as they may play more than one role within the group. Therefore, there are two main reasons why someone should be a part of the group: a) they have the power to sabotage or support effective delivery of the strategy, and b) they know something that could ensure the strategy is better thought out.

Strategy-making Outcomes

- Choose the organization (or part of it) for which the strategy is to be developed.
- Select the client for whom the strategy is to be developed.
- Carefully determine the membership of the strategy-making group so that the strategy stands a good chance of being implemented.

Choosing Where in the Organization to Focus

While most managers believe that doing some strategy making is important, they also find it difficult to prioritize it against urgent ‘burning’ issues. This means that it is usually crucial to make sure that any strategy-making events are both productive and enjoyable. For many managers strategy workshops are events that act as a useful social gathering but there is no expectation that the discussions will seriously affect them or the organization.

A common experience for many managers is that the strategic planning process takes on the form of an ‘annual rain dance’. The activity is taken to be important enough to devote some limited time on it because the intellectual arguments for doing so are difficult to argue with – ‘of course an organization must have a strategy’. However, often the reality is that the activity will simply result in ‘the usual annual budgeting battle’ which is focused on short term issues and the retention of the status quo. Some managers will come off badly and others well, but this will be related more to their political clout and negotiating skills than any consideration of the longer term impact of the budgets on the strategic future of the organization. These budgeting rounds will have a real impact on the strategic future of the organization as a part of the emergent strategizing of the organization, but not in a thoughtful or designed way. (Eden and Ackermann, 1998, p. 47)

For the purposes of this book we are going to assume that getting strategy making started is not going to be easy. We shall assume that you are not the CEO of a large organization, but rather that you might be managing, or be a part
of, a work-group, department, division or operating company, or alternatively a consultant/facilitator to a manager. In accepting the challenge of doing some strategy making we expect you to target a strategy-making group which stands a reasonable chance of success. We do not expect you to consider becoming the champion of strategy making for the whole of your organization if you do not have access to the power brokers at the level of the organization that this would demand. We need you to consider carefully, and from the standpoint of pragmatics, who might be the client for the work you are about to undertake. In so doing you will need to consider the boundaries of the organization for whom the strategy will apply.

**Go to task 1a**

Decide for which organization the strategy is to be developed.

**Commentary and Issues**

You will be drawing a boundary between the organization for which you will want to secure a sound strategic future and the setting for that organization. If your organization is set within a larger organization then we shall be treating this larger organization as a part of the environment of your organization. You will only be interested in the aims and intentions of the wider organization to the extent that it is a powerful player (stakeholder) which influences the strategic future of your organization (see chapter 5 for a specific consideration of the emergent goals in relation to the wider organization’s goals). The nature of your interest in the wider organization will follow from strategic analysis of the whole of your environment (stakeholder analysis and management, and considerations of alternative futures, not from a presumption of its importance).

In almost all cases we expect that you will be an internal (rather than external) facilitator. Being an internal facilitator provides both disadvantages and advantages (see support 4). In some cases you may be both facilitator and client. However, a large number of MBA students have successfully managed to combine both and have produced effective and insightful strategy making.
Hints and Tips

Example 1

You are the manager of a computer services department – a department that supplies a service to a large organization with sites all around Europe. You may have some access to the senior management team of the whole organization, to the extent that you report to one of the vice presidents. However, your ability to influence the senior management team with respect to their strategy making for the whole organization is negligible. Your input to the strategic thinking of the whole organization does not go beyond expressing a specialist view – you are a source of specialist information. You are also aware that there remains a continuing risk that the main organization may choose to out-source computer services. As a services department you put a strategy on paper a couple of years ago, and the senior management team accepted it.

In this case, we would expect you to take on the challenge of using strategy making as the basis for developing, reviewing and renewing a strategy for the computer services department. The strategy you develop may, or may not, replace your published strategy. At this stage your strategy making is designed to secure the strategic future of your department. We would not expect you to use this book to simulate you facilitating the senior management team in their development of strategy.

Here, you are both facilitator of the strategy making and client. This dual role for yourself is likely to be problematic.

Example 2

You are a member of staff in a sales office consisting of eleven others including your local manager. You have reasonable access to your manager and are well regarded by most of your colleagues. Your colleagues know that you are undertaking studies in the field of business and management. Although you have met the sales manager to whom your manager reports, you are not well placed to persuade her that you could help her undertake strategy making for the whole of the sales team.

In this case, we would expect you to take on the challenge of developing and delivering a strategy for your sales office. Your client is likely to be your
own manager. The manager has never thought about developing a strategy for his small team before, and is likely to resist the need for it. It is unlikely that you will be able to demand that the work is undertaken, rather you will need to work towards small gains in commitment to thinking about strategy. Your reasonable expectations are to gradually develop an enthusiasm and involvement in strategy making.

### Example 3

You are part of a group of four friends in the process of starting up a new company offering consultancy in the development of web-based learning material. You are all currently in employment but intend to start up within the next six months using a bank loan that has yet to be negotiated. Here it is going to be difficult to identify a single person as the client. It is most likely that all of you will be the client, assuming that you each have equal shares in the new company. There is no wider organization to consider as a part of your environment.

Figure 2.1 represents the boundary notion.
Commentary and Issues

Choosing a Client

It is important to establish who will be the client for the strategy making. They will be the person whose views will matter most to you when there is a choice to be made about one set of views as against those of others. The client cannot be an organization, because an organization cannot express views. The client must be a person (or at least a small group of people with very similar interests). The client for the strategy making may change over time, although this is unusual. The client is the person who will drive forward the strategy making and delivery with your assistance. Although they may not, at this time, regard themselves as the client, it is your intention that they take on the role of client as you succeed in persuading them of the importance of the task you wish to facilitate.

Choosing the Strategy-making Group

Never doubt that a small group of committed citizens can change the world. Indeed, it is the only thing that ever has. (Margaret Mead)

An organization changes as a result of the commitment and energy of the people within it to make changes. Rarely can a single person create strategic change or a desired strategic future. A group of powerful individuals can create strategic change and manage strategic stability. Of course, organizations also only cope with a changing world because there is enough creativity, differences of view and new and alternative points of view (entropy, as thermo-dynamicists would call it), to recognize and ‘do battle’ with uncontrollable turbulence.

As we argued in the introduction, strategy making is not just about agreeing strategy, but it is also about stretching the organization, so that it is prepared for action, recognizes and lever its strengths and therefore manages its own future interactively.

Thus, we must think hard about who needs to be involved in the strategy making beyond the client. On the one hand there is a powerful argument for involving everybody – but then that is usually impracticable (at least to start
with). On the other hand the smaller the group the easier it is likely to be to reach agreements (although there will be less ownership and commitment to the strategic outcome). To start our exercise we are going to consider a group no larger than five people. We may expand the group if it becomes clear that we should do so.\textsuperscript{11}

Why do we start with five? Because the ideal group size is five to seven people, and in practice we find that even if we start with five people we shall find ourselves under pressure to increase the group size, and so we will leave some flexibility to do so. Research on team performance suggests a need for eight roles within an effective team, however, any one person is usually able to draw from a repertoire of several of these roles and so an ideal team size does not have to be eight people.\textsuperscript{12}

As we noted earlier in the chapter, there are two reasons for including people in the strategy-making group:

1. They need to be committed to the strategy because they are powerful players in its delivery.\textsuperscript{13}
2. They have the wisdom, experience or knowledge that is needed to inform the strategy.\textsuperscript{14}

Those included may be supporters or they may be saboteurs. We hope, of course, that they will finish up as supporters because the strategy will have been negotiated with their involvement in processes that pay attention to \textit{procedural justice} (doing things a sensible way) and procedural rationality (attending to sensible analysis).

Each of these reasons for including a person in the strategy-making group you are about to form represents a power base,\textsuperscript{15} and so the key to membership of the strategy-making group is that each person is a power broker of one sort or another. But here the power base that is of interest is that which is related to strategy making and delivery.\textsuperscript{16} An understanding of the different bases of power in organizations is therefore crucial in selecting a strategy-making group. Consider, for example, formal position, ability to reward others, direct control over others, specific expertise, access to information, who they know, who is likely to be willingly influenced by them, and so on.\textsuperscript{17}

The following interconnected leadership tasks are important if strategy making and implementation are to be effective:\textsuperscript{18}

- Understanding the people involved, including oneself.
- Sponsoring of the process (considering who needs to be a supporter of the process in order to protect both the client and subsequently yourself).
- Championing of the process (in this case you are likely to be the champion at the start).
- Facilitating the process.
- Fostering collective leadership.
Any serious strategy making will question and probably change the current power structure\(^{19}\) of the organization\(^{20}\) (the ‘social order and negotiated order’\(^{21}\)). There will be some in the organization who will believe that they will come off worse and some who will believe that they will come off better from strategy making – **anticipated losers** and **anticipated winners**. Anticipating losing or winning will, rightly or wrongly, set up a political dynamic\(^{22}\) and power struggle. As we noted earlier, it is rare for there to be no casualties from the results of strategy making.

It must be considered that there is nothing more difficult, more dangerous or more apt to miscarry than an endeavour to introduce new institutions. For he that introduces them will make enemies of all those who do well out of the old institutions, and will receive only cool support from those who would do well out of the new ones. This coolness is caused partly by fear of their opponents, who have the old laws on their side, and partly from the natural scepticism of mankind, who have no faith in new arrangements until they have been confirmed by experience. (Niccolo Macchiavelli in *Il Principe* (1513), chapter 6)

**Hints and Tips**

When considering the make up of a strategy-making group consider the possibility of powerful players taking on the following roles:\(^{23}\)

- Anticipated loser.
- Anticipated winner.
- Genuine cynic (often a senior and powerful person who has ‘been through this sort of thing before, and nothing comes of it’).
- Opinion former (when this person expresses a view in the organization it tends to be followed by many others without their investigating the validity of the view. They might, for example, assert that the strategy making is a ‘good thing’ and so influence many others in the organization to think positively about it).
- Ideas generator.\(^{24}\)
- Saboteur (this person often overlaps with the anticipated loser).
- Sit back and wait and see before jumping (this person often, literally, sits at the back in group sessions and does not become involved – might overlap with a ‘genuine cynic’).

In many cases a person will take on several of these roles. As shown, often an anticipated loser will also be a saboteur, or a genuine cynic will sit back and wait and see before jumping. Forming strategy-making teams may be helped by considering the eight team roles, mentioned above, that are regarded as important
in creating effective teams. It is not usual to submit possible team members to a Belbin team role questionnaire or a Myers-Brigg Type Indicator (MBTI) questionnaire! Using the team role or MBTI categories as a framework for considering the team is often helpful for clients who are accustomed to these profiles.

During this first stage of strategy making our aim is to increase the probability of the strategy being successful. This early decision about the nature of the group will play a very important role.

Often the consideration of possible candidates for the strategy-making team is best undertaken jointly with the client – providing the client has accepted the role of client.

Remember that the need for a sponsor can be crucial. The sponsor will not be a member of the strategy-making group and will not have a specific interest in the outcomes of the strategy, rather they support the effort – possibly being required to give permission for resources to be spent on the exercise. If time is to be spent in strategy workshops they will need to be supportive of the potential value of time spent in this way, and will legitimize your initiation of the process as well as the client’s and others’ involvement. Sometimes the client and sponsor may be the same person, but this can be dangerous, because the client has no protection from the dynamic that can be set up by such an exercise, and you have no protection from being labelled as the instigator, or as the time waster. Determining when and how to involve the sponsor is best done with the client so as to help the client understand the rationale for their involvement.

This completes the first set of tasks. The next section of the book discusses the nature of the first steps to be taken with members of your strategy-making group. This may be either interviewing each participant using cognitive mapping to record the views expressed, or the design and delivery of the first strategy workshop.

Where Next? Interviews (Chapter 3) or Directly to Your First Strategy Workshop (Chapter 4)?

We are presuming that you cannot take up the time of your strategy-making group with ease – that they will be resistant to giving up even two to three hours for such an event organized by you. Burning issues and immediate concerns are usually higher on the list of priorities than strategy making.

One option is to go straight to an oval mapping technique/issue surfacing workshop. This might provide the opportunity to ‘earn’ their time by facilitating a first workshop that is enjoyable and productive, with clear added-value outcomes. Therefore we need to consider ways of getting commitment from the
participants to attend a first workshop, whether or not interviews are the first step.

Interviews might be an easier entry method that additionally gain commitment to a first workshop. After each person has been interviewed a part of the closing statement will be to discuss what will happen next. The interview material for each person will remain as a confidential body of views, but they will be merged into a single interconnected strategy map where it is not possible for any participant to be certain of which views belong to which participant (even though they will probably attempt to guess). As this process is discussed with participants they usually become very curious about the nature of the strategy map – how their own views fit with those of others, what issues come forward, and so on. This curiosity provides the basis for getting the participants together for a workshop to agree goals, and work on distinctive competences and the business model. Arranging individual interviews is often much simpler, as is managing a one-to-one intervention.

We acknowledged earlier that the client might not yet be prepared to take on the role of client (unless you are the client as well as the facilitator – and you may need some convincing of the worth of the strategy you are about to embark upon!) Facilitation is a demanding skill – particularly when both process and content have to be managed simultaneously. For many consultants the role is so demanding there will be more than one facilitator, where one concentrates on process issues and the other on content issues.

Facilitation becomes easier the clearer the facilitator is about the link between theory and practice. Workshops never turn out the way we expect, even with very good planning and design – therefore a facilitator must be able to operate contingently but within a well-understood theoretical framework. This statement is not intended to suggest that workshops do not need to be well designed and planned, rather it suggests that a plan should be the framework for a workshop and we should not fear moving away from it when appropriate. Therefore having a good understanding of the processes of strategic management is important.

We will plan on the first workshop, and other subsequent ones, being about two to three hours in length. This might mean that your planned outcomes may be incomplete, but you should have engaged your group to such an extent that they will commit to another workshop. In the worst case you may wish to encourage the group to meet on the grounds that ‘you know I am undertaking a course/reading in strategic management, and I am asking you if you would help me in these studies by meeting with me for a couple of hours to try out some methods I am learning – the focus of the event will be for us to explore some of the strategic issues we think we will be facing over the next few years. I hope the time spent will be useful to us all, and certainly hope that it will be interesting – but I cannot guarantee it – I’ve never done this sort of thing before, but I do have a “book” to guide me!’ In this way you are asking a favour without any guarantee of success, and you are reducing the risk to yourself by doing so.
Your aim is to make the event useful enough for the group to want to meet again, under your guidance, to continue the strategy making further, by moving on to decide on a goals/aspirations system (chapter 5), an exploration of distinctive competences and the business model/livelihood scheme (chapter 6), developing a statement of strategic intent (chapter 8) and gaining closure (chapter 9).

Notes

1 Johnson and Scholes (2002) discuss the role of planners in an organization, suggesting that ‘planners can overlook the importance of the experience of those in an organization’ (p. 64).
2 ‘Journey’ is used as an acronym by Eden and Ackermann (1998) where it relates to JOintly Understanding Reflecting and NEgotiating strategY: the process of making strategy. Johnson and Scholes (2002) state that ‘a successful (strategy) workshop process works through issues in face-to-face debate and discussion, drawing on and surfacing different experiences, assumptions, interests and views. In this respect it is seeking to tackle the design of strategy, whilst facing up to the realities of the cultural and political processes of the organization’ (p. 65).
3 De Wit and Meyer (1998) pp. 93–4 suggest that objectives setting should be carried out by the top management in the organization. This contradicts our view that it can be done at any level in the organization. Johnson and Scholes (2002) support our point of view that strategy can be developed at any level in the organization, saying, ‘it could be that the direction of strategy that emerges from lower in the organization is more appropriate to the needs of the organization’ (p. 78).
5 For an introduction to stakeholder analysis and management see chapters C7 and P4 of Eden and Ackermann (1998).
6 For an exploration of ‘alternative futures’ analysis and ‘scenario planning’ see chapters C8 and P4 of Eden and Ackermann (1998), and van der Heijden (1996).
8 When referring to the ‘design school’, De Wit and Meyer (1998) Mintzberg states that ‘ultimately there is only one strategist, and that is the manager who sits at the apex of the organizational hierarchy’ (in De Wit and Meyer (1998) p. 71). Our view is that it is rare for strategic change to be created by a single person. Lynch (2003) p. 364 suggests that many would argue that the vision should be created by the CEO but also gives the alternative point of view that it should involve many in the organization. He suggests that the method used will be dependant on the culture of the organization.
9 Stafford Beer (1966) reflects on the important role of entropy in keeping an organization alive. The idea also fits with current proposals about organizations needing to be on the edge of chaos (see Pascale et al., 2000).
11 Lynch (2003) pp. 580 and 643 argues that while involving more people in the formulation of strategy may slow it down, it may speed up the implementation process. De Wit and Meyer (1998) support greater involvement, stating that ‘all of the major
interests throughout the company should be invited to participate in the strategic business-planning process’ (p. 115).

12 Meredith Belbin (1981) has undertaken considerable research on the make-up of effective teams. He suggests that an effective team needs to cover eight roles, although this does not imply that a team needs eight people – each person will typically take on more than one role.

13 Lynch (2003) suggests that people who have not been involved in the development of the strategy are less likely to be committed to it.

14 De Wit and Meyer (1998) Chakravarthy and Lorange discuss the possibility of involving those with expert knowledge in the goal development process, saying, ‘it is not uncommon for key managers to be invited to participate in the objectives-setting step . . . as experts in a corporate task force’ (in De Wit and Meyer (1998) p. 95).


16 Lynch (2003) pp. 270–2 and 786–8 discusses the need to take account of politics and power in strategic change.

17 De Wit and Meyer (1998) Mintzberg suggests that it is important to harness the expertise that exists within the organization when developing strategy where ‘there is too much information to be comprehended in one brain’ (in De Wit and Meyer (1998) p. 77).


20 Johnson and Scholes (2002) argue that ‘there will be a need for the reconfiguration of power structures in the organization’ (p. 558) as a consequence of strategy making. Thus, not surprisingly, participants and other stakeholders anticipate such possibilities.

21 The idea of organizations being a balance of social order (maintenance of social relationships) and negotiated order (problems being resolved by negotiation rather than by rational analysis and optimization) is an important aspect of considering political feasibility in strategy making – see C48–50 in Eden and Ackermann (1998).

22 Johnson and Scholes (2002) p. 9 and 66–9 discuss organizational politics in the context of strategy development, making the point that ‘strategies develop as the outcome of processes of bargaining and negotiation among powerful internal or external interest groups’ (p. 66).

23 Lynch (2003) p. 788 identifies three important tasks that need to be undertaken when seeking agreement to a new strategy. These include identifying potential and influential supporters, seeking out potential opponents and building the maximum consensus. We believe that it is better to build these tasks into the strategy-making process through the careful design of the group.

24 Akin to Belbin’s (1981) category of a ‘Shaper’ or ‘Plant’.


27 For considerations of the issues of group work in strategy making see chapter C3 of Eden and Ackermann (1998).

An interesting article by Andersen and Richardson (1997) who argue for five roles. For other material recommended on facilitation see: Bostrom et al. (1993), Schwarz (1994) and Ackermann (1996) in relation to computer-supported groups.
Task 1  Getting Started

a  Decide for which organization the strategy is to be developed:

- With a realistic view of where you can intervene: define the boundary of your organization (department, group, division, operating company, etc.).
Task 1  Getting Started

a  Decide for which organization the strategy is to be developed:
   ■ With a realistic view of where you can intervene: define the boundary of your organization (department, group, division, operating company, etc.).

b  Choose a client and five key power brokers in that organization who will form the strategy-making team:
   ■ It is likely that you will count yourself among this group, indeed you may also be the client.
   ■ Try to keep to five members, however, up to seven (including yourself) is reasonable.