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From Strategy to Practice

Abstract

{Excerpt} Strategic reversals are quite commonly failures of execution. In many cases, a strategy is abandoned out of impatience or because of pressure for an instant payoff before it has had a chance to take root and yield results. Or its focal point is allowed to drift overtime. To navigate a strategy, one must maintain a balance between strategizing and learning modes of thinking.

Despite worldwide attention to strategic planning, the notion of strategic practice is surprisingly new. This owes to widespread perception that strategic reversals owe to strategic miscalculations—the strategy was not sufficiently perceptive, imaginative, or visionary. Alternatively, it was too much of a good thing. But the truth is that strategic reversals are quite commonly failures of execution. In many cases, a strategy is abandoned out of impatience or because of pressure for an instant payoff before it has had a chance to take root and yield results. Or, its focal point is allowed to drift over time.

To draw a strategy is relatively easy but to execute it is difficult. Strategy is both a macro and a micro phenomenon that depends on synchronization. For that reason, it is worthwhile to examine a few elements of a disciplined process for systematically reviewing, evaluating, prioritizing, sequencing, managing, redirecting, and, if necessary, even canceling strategic initiatives.

Keywords

Asian Development Bank, ADB, poverty, economic growth, sustainability, development

Comments

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From Strategy to Practice

By Olivier Serrat

Preamble

Strategic reversals are quite commonly failures of execution.

In many cases, a strategy is abandoned out of impatience or because of pressure for an instant payoff before it has had a chance to take root and yield results. Or its focal point is allowed to drift over time. To navigate a strategy, one must maintain a balance between strategizing and learning modes of thinking.

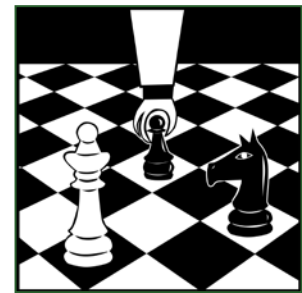
Despite worldwide attention to strategic planning, the notion of strategic practice is surprisingly new. This owes to widespread perception that strategic reversals owe to strategic miscalculations—the strategy was not sufficiently perceptive, imaginative, or visionary. Alternatively, it was too much of a good thing. But the truth is that strategic reversals are quite commonly failures of execution. In many cases, a strategy is abandoned out of impatience or because of pressure for an instant payoff before it has had a chance to take root and yield results. Or, its focal point is allowed to drift over time.

To draw a strategy is relatively easy but to execute it is difficult. Strategy is both a macro and a micro phenomenon that depends on synchronization. For that reason, it is worthwhile to examine a few elements of a disciplined process for systematically reviewing, evaluating, prioritizing, sequencing, managing, redirecting, and, if necessary, even canceling strategic initiatives.

Scenario Thinking

Strategic planning stands for the unrelenting process of making decisions systematically with the greatest intelligence of their futurity, organizing the efforts necessary to carry them out, and measuring outcomes against expectations with feedback and self-control. The short term calls for strategic decisions as much as the long term. However, planning must take account of unpredictability and should not stake everything on one possible scenario. It must develop a small set of distinct scenarios covering the main areas of uncertainty and all plausible futures.

A scenario is an internally consistent view of the future. Scenario thinking is the process



Unless a variety of opinions are laid before us, we have no opportunity of selection, but are bound of necessity to adopt the particular view which may have been brought forward.

—Herodotus

of generating and analyzing a small set of different futures. In discrete steps, it (i) reveals the focal issue, (ii) characterizes factors and players, (iii) lists driving forces, (iv) ranks driving forces, (v) fleshes out scenarios, (vi) draws implications, and (vii) selects indicators. The end-result of building scenarios is not an accurate prediction of tomorrow but better thinking about the future. Moreover, since scenarios provide a context for decisions, better thinking should lead to decisions that are more robust. As events unfold, it is necessary to continue to review whether plans fit the realities of environment, economy, society, polity, and technology. If they do not, how can one discard them, or at least stop devoting more resources to their perpetuation?

All this will not be finished in the first one hundred days. Nor will it be finished in the first one thousand days; nor in the life of this administration; nor even perhaps in our lifetime on this planet. But let us begin.
—John F. Kennedy

Navigating a Strategy

To navigate a strategy, one must maintain a balance between strategizing and learning modes of thinking. This is achieved by more skilful action within the environment, in which the aim to make sense of an environment one finds puzzling is balanced by adaptive learning.

Strategizing involves a vision, a goal, a blueprint for the future, and a plan on how to get there. In almost any field of human activity, the factors and players that interact to create both the present and the future are complex and numerous. They include market forces, globalization, regionalization, natural resources, information flows, media, culture, and governance. Theories call for abstractions; for that reason, they apply only in a few domains.

Learning adheres to the same principles as the process of evolution. The events that unfold suggest new hypotheses, based on which one decides on the next steps. In a state of uncertainty, there is little alternative to adaptation. Only through action can organizations and people participate and gather the experience that both sparks and is informed by the process of learning.

Table: Navigating a Strategy

Strategizing		Learning
Predicting and Controlling	↔	Participating
Theorizing	↔	Experimenting
Choosing Directions	↔	Enabling Natural Selection
Solving Problems	↔	Building Capabilities
Challenging Others	↔	Listening to Others
Explaining	↔	Interpreting
Seeking the Truth	↔	Seeking What Works
Desiring the Future	↔	Trusting Fate

Source: Adapted from van der Heijden, Kees. 2004. Can Internally Generated Futures Accelerate Organizational Learning? *Futures* 36: 145–159.

Strategy as Practice

Execution is a process. It is not an action or a step and it rests on more people than strategy formulation. Strategy as practice means treating earnestly the habits of practitioners. It reconciles the dichotomy between strategy and learning. Therefore, the practice perspective is concerned with managerial activity, that is to say, with how managers do strategy. There are exciting moments in this, such as the grasping of situations, the begetting of ideas, and the identification of opportunities. But there is also the daily fare, including the routine of planning and budgeting each year, the sitting in committees, the writing of official documents, and the making of presentations. Here, attention to detail and persistence counts as much as foresight: at all times, questions of

suitability, feasibility, and acceptability must be asked and answered. It is best to factor in smaller steps, celebrate their achievement, and move sequentially. The practice perspective embodies concern for the effectiveness and efficiency of strategists and not just of organizations. It connects to structured thinking; building, organizing, and working teams; appraising options; creating support mechanisms; assigning and holding responsibilities and accountability; choosing the right metrics; planning delivery; monitoring results; evaluating performance; and managing stakeholders and communications. Strategies that are not deliverable are of no use.

Further Reading

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For further information

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Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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Knowledge Solutions are handy, quick reference guides to tools, methods, and approaches that propel development forward and enhance its effects. They are offered as resources to ADB staff. They may also appeal to the development community and people having interest in knowledge and learning.

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