

# Strategy: Do You Know It When You See It?

By Karen Beaman, Workday™ Inc., and Bob Stambaugh, Kapa'a Associates



## INTRODUCTION

When we began planning for a “strategy” issue of the *IHRIM Journal* several months ago, we assumed that we, like most other people in business, knew exactly what strategy was all about. After all, books about strategy fill our bookshelves at work and at home, and the magazines we read usually feature an article about one strategic technology or another. What’s more, we used the term every day: *strategic* decision-making, *strategic* impact, *strategic* partnerships, *strategic* alignment, *strategic* outsourcing – and new variations are cropping up on a daily basis. We couldn’t have been more mistaken!

In fact, we discovered that we used the term differently in talking with each other and with our colleagues. Sometimes, we meant “big.” In other instances, we used “strategy” or “strategic” as a synonym for “important.” When we looked back over memos, e-mails, and articles we had written or received, we found other meanings too: strategy meant bottom line, long-range or executive level. The term often carried with it a suggestion of planning, but sometimes we meant “visioning” rather than detailed step-by-step directions. Some of our communications seemed to imply a need for resource specifications, critical path diagrams or milestones and measurements – but others studiously avoided such tools as too constraining.

It didn’t take us long to realize we really didn’t know *exactly* what “strategy” means. Or, to be more precise, it didn’t take us long to realize that it meant all of the things we had encountered and more: like the frustrating search for a single definition of headcount a generation ago, it dawned on

us that both the definition of strategy and what we decide to do to be “strategic” vary according to context. When we see HR and HRIT as support for the corporation, our strategies focus on support; when we see HR as leaders, then our strategic contribution has a visionary and “enabling” flavor. Likewise, who we define as primary clients – stakeholders, shareholders, employees, management, government regulators, for example – changes what strategy entails.

So, we decided to test our interpretation of the strategy jungle by querying, via e-mail, a random selection of *IHRIM Journal* Editorial Board members, industry leaders and business executives. We invited approximately 40 such thought leaders to supply us with their definitions of strategy. We suggested responses of 300 to 500 words.

We immediately received requests for clarification: did we mean HR strategy? Corporate strategy? Systems strategy? Long-range strategy? Our answer in a word was “yes.” We encouraged our expert “panel” to interpret our request *their* way. We received about 20 responses. Except for editorial changes to standardize punctuation and style, and the use of italics to call attention to key aspects of a passage, we’ve preserved the authors’ submissions intact.

As you read these definitions and comments on “strategy,” all of which we believe are valid responses to our request for input, we suggest you develop your own rating scale or categorization plan for organizing what you read. Some of the possible groupings might be presence/importance of vision, prominence placed on detailed planning and resource allocation,

timeframe for strategy, emphasis on measurement, articulation of the “why” aspects, ROI and other frameworks for describing expected value, elements of risk, stakeholder identification and acknowledgement of “change,” and “human” versus “mechanistic” views of the strategy process. We’re certain you and your colleagues will discover even more categories.

What we’ve discovered in preparing this article is simple: a strategic mindset is probably more important than a standard, one-size-fits-all strategy. We recognize the multiplicity of viewpoints reflects the many areas in today’s enterprise where strategic approaches really matter. We hope the sampler of ideas and approaches we’ve included below will become a sampler and a springboard for you as you create your strategies: we’re sure you *will* know which ones make a personal difference when you see them!

## RESPONSES

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At the highest level, strategy is about doing the right things, while operations and execution are about doing things right. To create a great strategy, an organization needs to: (1) understand their own strengths and weaknesses, (2) understand the customer, and (3) know the market and the competition well. With that knowledge in mind, setting strategy becomes an exercise in prioritizing what to do and what not to do.

**Daniel Sullivan, University of Delaware** ([sullivad@lerner.udel.edu](mailto:sullivad@lerner.udel.edu))

The idea of strategy: creating value from connections. We regularly see definitions of strategy that run the

gamut from the simplistic – strategy is an elaborate and systematic plan – to the obscure – strategy is a long-term plan whose merit cannot be assessed until sometime after those who created it have departed. Individually, such interpretations identify aspects of strategy. Collectively, though, they distort and delude as their vague assumptions and weak generalizations trump meaningful specification of the concept.

I propose a different take, one that stipulates a standard that applies to any individual, company, institution, or country – and perhaps more importantly, highlights an often-missing perspective from definitions of strategy. At its most elegant, strategy is about creating value through improved efficiency of action and greater effectiveness of ideas. The idea of value can be defined in a variety of ways from a number of perspectives (such as customers, employees, stakeholders or shareholders). No matter which perspective prevails, though, strategy is fundamentally about creating value.

The commanding premise of this definition is the idea of creation – without which debating the idea of strategy is akin to ball-parking the number of angels dancing atop a pin. That is, creating value is a function of how one draws connections between such issues as ideas and innovations, products and markets, companies and communities, buyers and suppliers, or competitors and collaborators. These connections anchor the relationships that provide the foundation for strategy. In and of itself, like a specific Web site or a discrete business function, each has some importance. Interactively, though, identifying, understanding, and exploiting the connections between, say, Web sites creates the basis for search engine firms to specify strategies that create value from the Internet; or in the manufacturing context, for companies to configure value chains that leverage connections between activities like marketing or production.

The interesting thing – and one that is often assumed but rarely specified in discussions of strategy, is the

idea of how one might see the connections that create the potential for the value creation which strategy then aims to achieve. Conventional definitions of strategy presume an orderly pattern of connections within the context of true science, i.e., the old saw of “systematic.” Value then is a function of how one can clearly define laws, rules and principles that in turn specify a predictable, controllable system. In contrast, some see connections as a function of the open debate of ideas and shared decision-making among all in the never-ending quest to steadily improve the basis of value creation. Creativity, this view holds, identifies the innovative connections that objective analysis misses. Finally, there are those that see connections everywhere and anywhere. Indeed, their view holds that everything is interconnected with everything else, systems move toward more (not less) connectivity, and everything in the system is evolving simultaneously, affecting everything else in unpredictable ways. In the model, connections are the function of imagination and value lies in not how much you know, but how much you know how to find to spark transformation.

Strategy, therefore, is about value, which is about connections. So specified, strategy compels one to see the linkages that drive the present and shape the future. Strategy then anchors building the capabilities needed to capture opportunities and thwart challenges.

**Nov Omana, Collective HR Solutions  
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Strategy: Creating a direction for an entity, based on data gathered about historical and today's environment, which fundamentally increases that entity's ability to survive and potentially grow. The direction serves as a guideline from which subsequent actions for that entity are judged to support that direction.

Strategy is only as good as the information it is based upon. It must contain the realistic picture of how the entity is performing today (the good, the bad, and the ugly). Also, strategy must, in my opinion, break through

the current patterns of conducting business, provide new avenues that may push the organization into somewhat uncomfortable venues and involve some amount of risk.

Strategy must:

- Be realistic in timeframe (two to five years seems to be about right),
- Involve change, challenging the “sacred cows” of the entity,
- Involve key stakeholders in its formation,
- Be easily communicated, and
- Require investment (monetary and effort).

Change is inevitable – and a solid strategy must be based on change with an understanding that the strategy will also change over time.

**Dave Ulrich, University of Michigan  
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Strategy: Strategy has become one of the latest management Rorschach tests – it means all things to all people. Thus, we hear about “strategy” as a mockery of the morass that is called strategy. Disaggregating this complexity requires both an overall intent and specific dimensions.

The overall intent of strategy is to set a direction. A direction focuses on the future and what can be, on where we are headed, and on outcomes that may occur. A future outcome may be both inspirational and aspirational. Often called a vision, it lays out what can be in words, symbols, and images that inspire and engage. Often called a mission, it lays out the purpose and intent of an organization as seen by multiple stakeholders. Regardless of words, organizations and people need the meaning and hope that come from establishing a direction. Planning for what can be and focusing on future results captures the imagination.

But, strategy also has specific dimensions. A future direction must also be translated into specific goals, objectives, and actions to be realized. Lofty ideals not made real remain corporate fantasies. Strategy should direct how resources are allocated, including money, time and energy. Without a strategy that informs deci-

sion-making, resources may be randomly allocated and not aligned to the aspired direction.

So, when someone says, “you need a strategy!” you might ask back: Is this referring to a clear statement of direction and where we are headed in the future? Or, is this query referring to a statement of how resources will be allocated to reach the future destination? Without more clarity about both direction that defines destination and resources required to reach the destination, strategy remains strategy, a confusing mix of words and ideals that quickly create cynicism.

**Dave Duffield, Workday™**  
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For me, it’s not a question of what your strategy is, or of what strategy means. I’m a real fan of Jim Collins, and according to Collins, it’s a question of getting the “right people on the bus” and the “wrong people off the bus.” Once you get the right people on the bus, they’ll figure out what your strategy is and where to drive the bus. “The real question, the essential question is this: Is your company built to work? The answer rests on three criteria: excellence, contribution and meaning” (Jim Collins, “Built to Flip,” *Fast Company*, March 2000). If you’ve got the right core values in place and if you instill a sense of purpose and meaning into what you’re doing, the right strategy will emerge. For me, strategy is about getting the right people in place and then freeing them to do what they do best.

**David Arella, DAG Software, Ltd.**  
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Strategy is a vision of the new state of things, accompanied by an idea about the benefits of achieving the new. A strategy would state, in very simple terms, that our objective is to go from this state of things to that. It should describe something about how we are going to get from here to there, and it should include some reference to time. Finally, the goals of the strategy should be measurable.

A strategy statement would not be, for example, “to reduce HR service

costs by 20 percent,” as this provides no sense for what the new state of things looks like in practice. “We want to use more self-service,” or “we want to outsource our HR operations,” are statements about tactics, rather than strategy. A strategy statement must go further to address the change in the service paradigm. It should address the questions: why are we doing this, what are the service characteristics of the new approach, and what are the quantifiable/achievable metrics that indicate our progress along the way?

The best example of a strategy I ever encountered was during my days at Apple from 1986 to 1988. At that time, Apple had grown up with very “rich” HR support – the ratio of HR to line employees was one to 25. As Ap-

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ple continued to expand, we were intent on not growing HR as fast. Over time we wanted to reduce this ratio to 1 to 100. We also made some very rough observations that employees were well served by the HR staff using three primary mediums: face-to-face meetings, telephone support, and through online or “automated” (including e-mail, get the following form, etc.) in roughly the following ratio: 60-30-10. Our strategy was to flip this service paradigm so that 60 percent of the HR service was delivered using technology and only 10 percent required a person-to-person meeting. At the same time, we did not want to reduce HR services. To achieve this new

state of things, it became clear that the use of new systems (that included the earliest versions of what we now know of as “self-service”) was needed. Thus, our strategy was to flip the HR service delivery paradigm through the use of new technologies while delivering the same quality of service and reducing the HR to line ratio to 1 to 100 over a two-year period. It actually took us four years to achieve the new ratio, but we knew we were on the right track along the way. Each new change initiative was tested to assess its alignment with the overall strategy. The following were some of the specific tactics we used to achieve the strategy.

Over the next several years, we started implementing a variety of new systems that contributed to this strategy. The first was a tool that employees could use to select their own flexible benefits. Employees were enabled and empowered to do more on their own. This technology included a lot of “intelligence” that guided the employees through the selection process and vastly reduced the HR support time spent advising employees and just helping them fill out the forms. When employees did come to HR for support, they came with fewer, but more sophisticated questions. We also developed an electronic forms system for managers to write performance reviews, change employee salaries, handle department transfers, leaves of absence and more – all without the need for any actual support from an HR person. Managers were expected to do more on their own by using “smart” forms. Again, we designed a lot of HR expertise into these systems. We developed a résumé scanning and search system that enabled managers to search for their own candidates without the need for a staffing specialist. We prototyped an “employee information system” that would enable employees to change their home address, add dependents, change beneficiaries, etc., using an online system.

Summing up, I like strategies that answer the most basic questions – where are we going, why are we going there, how are we going to get there, how will we know when we have arrived and how long will it take?

**Dr. John Sullivan, San Francisco State University (johns@sfsu.edu)**

**What is the definition of strategic?**

It seems these days that almost everyone in both business and HR is striving to become more strategic. It's a legitimate goal, but many practitioners use the word even though they don't know exactly what the word means. It's not enough just to say that "you're strategic," because nearly everyone says that these days. It is essential to your credibility that if you are going to assert that you are strategic, that you first understand exactly what is and is not strategic.

***A strategic action is a program or initiative designed to directly impact a "business problem." The net result of the strategic action is an increase in measurable business results, where business results are defined as an increase in revenue, profit, market share or a product competitive advantage.***

**What does strategic really mean?**

Here are some different definitions: There are several different levels of definitions of the word strategic. They run the gamut from the basic dictionary definition to a more focused HR definition.

**A dictionary definition:** The technical definition includes, "designed to strike the enemy at the sources of its military, economic or political power in order to gain an advantage." For example, a strategic target would be a company's capital, its source of energy, communications infrastructure or munitions manufacturing. Strategic criteria would be used as a sorting tool to determine which future battles or regions would get the most resources. Strategic varies from the term that is on the other end of the "impact" spectrum, which is "tactical." Tactical means designed to impact the enemy at the "local level."

**An academic definition:** The "text-book" definition of strategic is "the plans made or the actions taken in an effort to help the organization fulfill its intended purpose." Purpose, in this case, is outlined by the organization's mission statement and its corporate goals and objectives.

**A business definition:** Strategic in business means focused things that effect the entire organization by impacting the corporation's stated goals and objectives (examples of strategic business objectives include improving customer service, faster product development, increasing market share, the stock price or employee productivity). Strategic initiatives are positive things that managers do in order to impact the organization's long-term goals and to provide a firm with competitive advantage. Strategic initiatives vary dramatically from tactical initiatives. Tactical initiatives are those programs, products or functions that have a major impact on reaching departmental or functional goals rather overall corporate goals.

Five simple qualifying criteria for any strategic program or idea:

1. **Broad impact** – it has an impact across many business units and regions.
2. **Focus on future needs** – it has the capability of handling future needs and problems.
3. **Provides a competitive advantage** – it includes the potential to provide us with a sustainable competitive advantage.
4. **Has a revenue impact** – it can potentially generate at least one percent of our revenue or profits.
5. **Impacts other corporate goals** – it has a direct impact on long-term corporate goals and objectives (in addition to revenue).

Before providing HR's definition of the word strategic, it's important to recognize that top management, not HR, makes the ultimate decision as to what is or is not strategic.

**A definition of strategic HR:** Strategic in HR means future-focused HR initiatives and programs that affect the entire organization. They impact the corporation's stated goals and objectives and also provide the firm with a competitive advantage in the area of people management or workforce productivity.

**The definition of an HR strategy:** The department's "HR strategy" is the overall approach adopted by the de-

partment. The HR department strategy and the HR plan associated with it are designed to provide direction as to what the department considers important and to aid in allocating HR resources, so that they are concentrated on initiatives that are most likely to increase employee productivity and corporate profits.

**What is not strategic?**

If these points describe you, you are not strategic:

- You react to "right here/right now" events.
- You are "surprised" by developing problems and opportunities.
- You "fight fires" rather than prevent them.
- You have no written strategic plan or even a name for your strategy.

**Who determines what is strategic?**

Declaring that you are strategic doesn't make you strategic. Others at the executive level determine what is strategic. The best evidence that you are strategic is that you are listed in the annual report or that you are exempt from hiring freezes and budget cuts.

***"Being strategic means being future focused and concentrating HR resources on solving 'business problems' that occur outside of HR."***

**Row Henson, Oracle (row.henson@oracle.com)**

**Strategy:** Interesting that when asked for my thoughts/definition on strategy – the first name that came to mind was Sun Tzu. For those that don't know – some 2,000 plus years ago – Sun Tzu was a Chinese leader who first formulated a rational basis for the planning and conduct of military operations. Sun Tzu was best known as the world's first strategist. As a matter of fact, as a strategist at PeopleSoft, his book *The Art of War* was required reading.

Then, when I looked up the definition in the Webster's dictionary, it too gave a "military" context to most of its interpretations: (1) the science and art of employing the political, economic, psychological, and military forces of a

nation or group of nations to afford the maximum support to adopted policies in peace or war, (2) the science and art of military command exercised to meet the enemy in combat under advantageous conditions. But, finally, at the end of the definitions, the last and probably most current interpretation is: (2b) the art of devising or employing plans or stratagems toward a goal.

So as we look at strategy as it relates to human capital, there are several themes that both Sun Tzu and Webster have in common. First, they consider “strategy” to be an art, and I would agree. Second, strategy is designed to strike an enemy at the source – the enemy for HR – an unproductive, dissatisfied and unaligned workforce. And lastly, strategy is the formulation of a plan with a targeted goal in mind.

Most HR “strategists” today would neither think of themselves as artists or warriors. But, hopefully, there are those that do think of themselves as planners. Instead of planning for the benefit of a “nation,” our HR strategists are planning for the outcome of a company by using the most valuable of all resources – the human resource!

**Larry Bienati, Consultants to Management (bienati@onestophr.com)**

Strategy from an HR perspective is the alignment of resources and process activities to the strategic vision and governing core values of an organization. The true HR strategic business partners have figured out how to align their business processes with the achievement of the operating goals and objectives of the firm. Most important, they have tailored their strategy to the various business units they serve in the form of service level agreements. In the words of Sun Tzu, *The Art of War* strategy is best defined as “doing the right things,” and tactics are focused on “doing things right.” *In short, the principles of strategy are the same for all HR leaders, at all times and in all situations.* Only the tactics change and need to be modified to the times we are facing. Successful HR leaders develop the mindset of a CFO and human capital measurement thinking to

maximize shareholder wealth and foster the most effective talent relationship management system.

In short, strategy is about being effective. Tactics are about doing things right and being efficient. Interesting notion isn't? They say leaders do the right things and managers do things right. It is no wonder that strategy is very closely aligned to being a leader.

**Phillip Jones, British Airways (philip.g.jones@british-airways.com)**

Strategy is the identification of a desired end state, together with a plan for achieving it.

In a business context, I would say that an HR/IT strategy is contingent upon business strategy. A useful starting point is to identify elements of business activities that are strategically and tactically important, and to which HR/IT might make a significant contribution. That will help clarify where relevant efforts can best be focused in both the short and long term.

The chess champion Bobby Fischer once remarked that P-K4 was a good opening strategy. However, I often failed to translate this advice into a winning line of attack as far as my own games were concerned. My conclusion was that practice was more difficult than theory!

**Valdis Krebs, Organizational Network Consultants (valdis@orgnet.com)**

**Hire and Wire:** Human Resources has always felt like the wallflower at the strategy dance. Other corporate functions are invited to dance, but HR is rarely in attendance.

As work changes in the 21st century, HR has a new opportunity. Though HR has always focused on the individual employee, groups, teams and networks of employees today do the work. Enabling the right connections amongst the right employees is a new strategic opportunity for HR.

Successful organizations today depend on learning and adaptability, which, in turn, depend on the right flows and connections between everyone involved in a project. It is no longer sufficient to hire the best and the brightest – now HR must *hire and wire*. Hire good people and wire them

together for successful results. The wiring is more than just throwing people into a box on the hard-wired organization chart. It is connecting people for learning and innovation in various information flows, knowledge exchanges and work relationships. The competitor with the best connections wins!

As the focus moves from the org chart to what happens in the white space on the org chart, HR must expand its view from the boxes on the chart to the links that connect them. Not only must HR strategists look at new places on the org chart, but they must link up resources off the chart – contractors, suppliers, customers and even the organization's alumni. In the 21st century, HR may be the weaver of how work gets done.

In his bestselling business book, *The Tipping Point*, Malcolm Gladwell describes three roles that all connected societies and groups have. We can translate them to corporate life. The Salesman is obvious: in business, it is the marketing and sales functions. The Mavens, those who are expert and passionate about products and services, are the engineers, designers and may include parts of Operations. That leaves the Connector role – those who know who needs to be connected to whom, when and how. That role is becoming increasingly strategic, and both HR and IT can fill it. Information Technology is the physical connector focusing on the computer and telecommunication networks and databases. They provide access to data and information. Human Resources can be the human connector – connecting the right people for the right projects. Human Resources can provide access to knowledge, wisdom and ideas. Information Technology is already well along the road of connecting us to data. But many HR departments do not see their new opportunity: an opportunity to finally have an active role in strategy and tactics.

Will HR be ready for this new role? Or will they still focus on delivering “room service?” It is a big step and a big opportunity, one that requires some new skills but also fine-tuning some old skills.

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In the great debate over whether and how human resource management (which is clearly much bigger than the HR function although HR must lead the way) can be more strategic, I have never found a satisfactory, actionable definition for what is strategic about HRM versus what is administrative – so in typical Bloom fashion, I created my own.

Strategic HRM makes a difference where it matters, by increasing revenues and/or profits materially – and saving a few cents per “check” on payroll processing costs isn’t usually material. Strategic HRM makes that difference by directly enabling the effective and efficient performance of individuals, teams and other organizational groups, using specific levers of human performance that are within its purview. Those levers include:

- better definition and organization of work roles;
- more accurate modeling of work role-specific competencies;
- improved generation, selection, deployment, development, motivation and retention of competency-rich persons;
- more flexibility to deploy competency-rich non-employee members of the workforce;
- improved generation, collection, sharing and deployment of organizational knowledge;
- improved sharing and deployment of organizational expertise;
- more effective deployment of electronic performance support systems – this is the frontier in enhancing performance;
- greater motivation of the workforce toward desired behaviors, outcomes and competency growth via targeted total compensation plans and work environment programs;
- improved design and execution of performance management, learning, and leadership development programs;
- improved forecasting and development of needed competencies;
- creation of a work environment that removes barriers to and en-

courages effective and innovative performance;

- more effective relations with labor organizations and with individual members of the workforce; and,
- better day-to-day scheduling, coaching, mentoring, assignment, utilization, development and career planning, and performance management engagement.

It’s not about being invited to the right meetings or sitting “at the table.” It’s about making an easily recognized and tied-to-the-bottom-line difference, expressed as material dollars. And we have the power within HRM – especially with the HRM delivery system – to make this happen.

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**The context of strategy:** Over 20 years ago, I started management systems consulting at SRI International where I had the good fortune to learn from a bunch of old codgers – “over 50-year-old ex-CIOs.” One man, in particular, taught me the context of strategy with the acronym of GOSPEL.

- **Goals:** What are the overall goals of the organization that ultimately drive any strategy? So, for example, an organization with a goal of being the low-cost provider in its industry will want a cost cutting strategy applied to employee service delivery.
- **Objectives:** These are measurable targets to achieve the goals. For example, HR must lower the cost of service delivery to its employees by 25 percent in the next three years.
- **Strategy:** What should HRIT’s strategy be to achieve the objectives and contribute to organizational goals? Centralizing service delivery into a service center, augmented by call center and Web-based self-service technologies is a strategy that has been proven to drive costs out of service delivery.
- **Plan:** What plans need to be made to achieve the strategy? Plans might include process improvement of record keeping and

benefit services. Further, there would be a plan for acquiring and implementing call center technologies, another for Web-based self-service, others for personnel and much more.

- **Evaluate:** How do you determine if the plans are being met to fulfill the strategy? Each plan will have deliverables. Periodic assessment of progress will be necessary. Also, how do you evaluate the end result of the strategy; so what are the measures to put in place to show that the service center or Web-based self-service is delivering on the promised cost cutting?
- **Loop:** What must be done next? Ideally, quarterly or annual evaluations will feed forward into continuous improvement to the strategy and the measures.

The simple acronym of GOSPEL keeps the context of strategy firmly embedded in the “why do this anyway?” of organizational goals and objectives.

**Linda Wenger, Schering-Plough**  
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I think strategy in HR should be defined as HR operating programs, systems and initiatives, with the long-term business goals as the primary driver and solving problems through effective use of these programs. The outcome should result in selecting, measuring, rewarding, training, and retaining valuable employees resulting in increasing productivity and driving bottom-line results.

**David Dell, David J. Dell LLC**  
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“The strategy was perfect,” Daimler-Chrysler chief executive Jürgen Schrempp said, defending the merger of the two companies. Too often such “perfect strategies” fail. That is because they are neither perfect nor strategies. As we look back on failed merger after failed merger, we can say the intention may have been perfect, but too much went wrong. In studying those mergers, you can learn a lot about what strategy really is. In the recent go-go years, the word “strategy” fell far out of favor – for good reason.

No one had time for the five-year plans they thought were strategy, and no one knew how to build the fast-paced flexible kind of strategy today's corporate warfare demands.

Today, when we start to think about the word "strategy" afresh, we have a far richer awareness of the ingredients of the failure to execute and the consequences of the illusion of success. We are re-learning that good strategy is very complex and bad strategy is very costly.

I like to illustrate the new reality of strategy by turning the word "Strategy" into an acronym: S.T.R.A.T.E.G.Y.

**S** – Sustainable: It has the ability to keep on going of its own in the environment. We all know about "strategies" that start with a bang and then fall off a cliff for all kinds of reasons – the CEO is gone, something new happens, a competitor jumps into your market or the environment cannot support it – a proper strategy anticipates and may adapt to accommodate such events, but it should not falter and die. Its own logic and fit into the environment will sustain it. It also means that once the strategy is realized there will be more to do in years to come, and someone will have to keep it going.

**T** – Tactical: Implicit in every strategy are many detailed actions that need to be planned. Strategy and tactics are like contracts and fine print. The details must be understood and what you do month-to-month in a strategy must be intentional. In doing multiple mergers, we learned how much complexity could be mapped and planned just in the first 100 days. Today's strategy in action is a barrage of projects and teams communicating, and tracking, and reporting, and doing a lot of interdependent work in very compressed time frames. Companies that lost track of the tactics or failed to validate their vision by checking the details have had some fairly intensive disappointments.

**R** – Resources: A strategy must assure that the key ingredients will be available. People, especially, and money (of course), and systems must be up to the task. Are there enough resources, can more be accessed, can

the resources be mobilized to execute the strategy? Sometimes strategies fail because the different planning teams assume a key person can be three or four places at once.

**A** – Aligned: Resources on paper are not the same as resources committed. Strategy must assure that the key people and components of the company really are going to put the effort and resources into supporting the strategy. Usually a new strategy asks people to change what they are doing, and also to do more. It may undermine people's own personal strategies. Collectively and individually the people need to be on board, and those responsible for the strategy have to know for sure that they are on board.

**T** – Technology and Information systems: Strategy uses and shapes corporate systems. Computing and communicating is so ubiquitous today that leadership may take it for granted. Without shared knowledge and ability to communicate, without the ability to track details of who and what and when, the complexity will mire the strategy in confusion until it isn't helping or it becomes the missing ingredient.

**E** – Executing leadership: People who are in charge and "doing" must permeate the plan. It is not only the CEO and other top execs pushing from the top and cheerleading, but also people at all levels who lead and execute and make sure it happens.

**G** – Goals: A strategy cannot be described just by an end state you may never reach; it is a voyage with clear measurable, intermediate goals. You need to know how far you get and whether you are getting there at all.

**Y** – Yours: If you haven't got a sense of ownership of the strategy and don't recognize that it is your own destiny at stake, then the "strategy" is like a game and what's more, you are merely a kibitzer or an arm chair athlete, not really in the game at all.

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Strategy is the ongoing assessment and formation determining who you are, where you are, where you

want to go and then how to get there.

These are simple questions, but it is actually a highly complex process to accomplish. The real challenge, besides putting a strategy in place, is to make it work, aligning action with intent. There are many reasons why strategy fails or why people simply give up a determined course of planned actions and take another path. Among the reasons strategy fails are, especially:

- failure to obtain senior management commitment, failure to get management involved right from the start, failure to obtain sufficient company resources to accomplish task;
- failure to obtain employee commitment, the new strategy is not well explained to employees, no incentives given to workers to embrace the new strategy;
- failure to coordinate, reporting and control relationships are not adequate, organizational structure is not flexible enough;
- failure to manage change, inadequate understanding of internal resistance to change, lack of vision of the relationships between processes, technology and organization;
- poor communications, insufficient information sharing among stakeholders, exclusion of stakeholders and delegates;
- failure to understand the customer, why they buy, whether there is a real need for the product, inadequate or incorrect marketing research;
- inability to predict environmental reaction, what competitors will do, fighting brands, price wars, possible government intervention;
- over-estimation of resource competence: can the staff, equipment, and processes handle the new strategy? Failure to develop new employee and management skills;
- under-estimation of time requirements, no critical path analysis done; and,
- failure to follow the plan, no follow-through after initial plan-

ning, no tracking of progress against plan and no consequences for above.

An organization's strategy must be appropriate for its resources, circumstances and objectives. The process involves matching the companies' strategic advantages to the business environment the organization faces. One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively. A good strategy should integrate an organization's goals, policies, and action sequences into a cohesive whole. It is the highest level of managerial activity, but since it provides overall direction to the whole enterprise, individuals' involvement is key.

**Lynne Morton, Performance Improvement Solutions (lmorton@pisols.com)**

Wow, this is tough. Strategy is a process and an outcome. Strategy is an articulated, agreed-upon, desired state that also includes a route, or course of action, to achieve that desired state. Strategy must have the buy-in of a team, or else it is just one person's vision (even if that person is the CEO). But, with input from a core team, it can become strategy. And it includes more than just the goal or end state, but some aspects of how that will be achieved. In simplest terms, it combines some of the "what" and some of the "how."

**Vicky Nunes, Nuevant (vnunes@nuevant.com)**

Strategy defines how you leverage existing assets and insights, invest in new capabilities, and deal with external variables in the market to accomplish your future vision. The distinction between vision, values, strategy and objectives is often blurred, so the true definition of strategy can be clarified by describing its inputs, formulaic choices and outputs.

**Inputs:** The inputs to strategy are vision, values, assets and insight. Vision and values describe the long-term end goal and personality of the organization. Assets represent the resources, capabilities, and leverage already held towards that goal, assessed within the context of

competitors and the market. These assets might be prestige, product/service superiority, human capabilities, customer loyalty, strategic partnerships, reputation for innovation, low prices or convenience. Whatever the assets, it is the unique way in which they are combined and leveraged that produces value.

As another input to strategy, insight is both art and science. It is a combination of analytics, which looks backward at historical structured data and trends, and intuition, which looks forward through a unique human perspective to discover an inconspicuous path not yet taken.

**Formulaic choice:** By synergistically leveraging your assets against your insight into the future market environment, you deliberately select a complementary mix of choices to simultaneously meet the conflicting needs of customers, employees, ap-

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plicants and other stakeholders. This is a formulaic choice to solve for Strategy X: (Assets + Insight) + Strategy X = Vision and Values.

Because employees are not infinite, HR strategy is necessarily a "competitive strategy;" it contrasts with your competitors to differentiate your employer value proposition. This means investing more in selected HR programs and services, and less in others. It includes identifying high-

impact jobs and employees, and creating programs and services that specifically appeal to those people. Human resources strategy might be built on the premise of offering employees a unique work culture, compensation plan, career path, life-work balance, company ownership, training and mentoring, travel or adventure, security, risk-taking and rewards, prestige or any combination of these characteristics.

**Outputs:** Strategy serves as the charter for developing strategic initiatives and objectives. It sets the foundation for selecting and prioritizing your HR programs and services, and the degree to which you will customize them per the unique needs of each employee segment. It drives your selection of HR service delivery models, such as ESS, MSS, outsourcing, in-sourcing, shared services, and internal specialists and generalists; and steers your investment choices in technology versus people. And finally, it defines the financial boundaries and ROI timeframe required, whether reducing cost while maintaining current service levels, or investing in additional services.

Regardless of whether a business strategy has been explicitly stated, or is simply implied, the actual strategy is evident by the actual pattern of choices made over time. For HR professionals, it is critical that the true business strategy in play be used as the foundation for developing an HR strategy.

**Cathy Veinbachs, Fidelity HR Services (Catherine.veinbachs@FMR.COM)**

Strategy, to me, tells the story of where you're going and how you're going to get there. Not tactically, nor even operationally (although there might be some at that level), but at a directional level. Strategy gives people a roadmap, a sense of the direction they are heading.

**Brigitte Morel, Capgemini (Brigitte.morel@capgemini.com)**

Effective strategies include the following six components: a vision, a set of goals, a set of guiding principles, a business model, an operational

model and a roadmap.

- The *vision* identifies why the organization exists, where it is heading, and how it will define success now and in the future.
- *Strategic goals* are necessary to define success and require a series of metrics, monitoring processes and organizational alignment.
- *Guiding principles* define the “how,” and describe those critical elements and value statements that everyone needs in order to be successful.
- The *business model* identifies the organization’s stakeholder groups and describes the economic model at a high level, e.g., the services/products offered to various customer/stakeholder segments, following a certain economic model, e.g., for-profit versus not-for-profit.
- The *operational model* defines the processes, technologies, organization, leadership, people, and culture that will allow the organization to achieve its vision and goals.
- The *roadmap* outlines the timeframe required to achieve the vision and identifies the key milestones for each element of the operational model.

**Don Tosti, Vanguard Consulting**  
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Strategy: A specification of the desired results in terms of the value to be provided to the various stakeholders, and the general scheme or plan to achieve those results.

**Allan Schweyer, Human Capital Institute**  
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Strategy boils down to alignment and integration. Initiatives undertaken to achieve a specific, discrete outcome are usually tactical. Those that are undertaken in concert with broader goals, as components of a bigger, concerted effort, are often strategic. Hiring a good candidate to fill a vacancy is tactical; sourcing the right people based on a workforce plan that is aligned and integrated with the corporate business plan is

strategic. Implementing an applicant tracking system (ATS) is tactical. Integrating it with a performance management system and a workforce analytics tool can be strategic if the data is used to make better decisions relative to the strategic objectives of the organization.

**Patti Johnson, People Results**  
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“Strategy is knowing where you want to be and clearly articulating how to get there. Strategy is not useful if it’s just a concept or an idea, and, likewise, can’t be successful if it’s only tactics and actions in disguise. The key ingredient is marrying the future vision with a simple roadmap of how to really do it. Strategy should be simple, clear, real and compelling. It can only be achieved if the customer, the employee, and the leadership can see it, understand it and want it.”

**Tim Palmer, EquaTerra Europe**  
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Strategy is where you want to be and how you plan to get there. To have a successful strategy, three key things need to be right:

- **Simplicity** – A strategy needs to be summarised in a maximum of two or three big ideas. Even that may be too many. The vision for the strategy will leave a lot of things unsaid, but if you get the big things right a lot of other good things will happen.
- **Context** – Context is always important. Organizational, industry, scale, individual bias. Twice in my career as the Strategy Director for a big HR outsourcing company I had highly experienced strategy consultants help with corporate strategy. Twice they made good analyses, which challenged the leadership team, but twice they reached the wrong conclusions because they failed to understand the subtleties of both HR and outsourcing.
- **Incentive** – People can make strategies work and they can kill great ideas. New business processes and change management programs are important,

but unless incentives are aligned with the big ideas they are unlikely to happen. People need to understand why the strategy is a good thing, for themselves, their team, their company and their community.

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*Karen V. Beaman is vice president and chief HCM strategist for Workday™. She is responsible for setting the direction and building the overall strategy for Workday's new global HCM applications. Previously, she was co-founder and principal managing partner of The Jeitosa Group, a global business consultancy focused on achieving organizational effectiveness through transnational leadership. Prior to Jeitosa, she held responsibility for the sales and delivery of ADP's professional services across the Americas, Europe and Asia/Pacific. She is the co-founder and editor-in-chief of the IHRIM Journal, program chair for IHRIM's Global Special Interest Group (GSIG), a former member of the IHRIM Board of Directors, and a recipient of IHRIM's Summit Award. She holds a B.A. from Old Dominion, a M.S. from Georgetown University, and was promoted to Ph.D. candidate in Sociolinguistics and Historical and Computational Linguistics. She can be reached at [karen.beaman@workday.com](mailto:karen.beaman@workday.com).*

*Bob Stambaugh is president of Kapa'a Associates, a global consultancy, where he has explored the role of emerging technologies in future work environments with more than 50 Fortune 100 clients throughout his 35-year career. Prior to Kapa'a Associates, Mr. Stambaugh was industry analyst at SRI International; he developed and managed HRIS capabilities at Crocker Bank, Intel Corporation and Atari. As co-founder of IHRIM, he has served as a chapter director and president and as a director and chairman of the IHRIM Board of Directors. He is a recipient of the IHRIM Summit Award, frequent speaker and seminar leader, author of more than 200 reviews and articles, and editor of the IHRIM Press book “21 Tomorrows.” He currently serves as senior editor and writer for the IHRIM Journal. He can be reached at [bobstambaugh@verizon.net](mailto:bobstambaugh@verizon.net).*