

“2009 Crisis Management . . . Strategic Management Frameworks”

A series of thought leadership articles for the CIO and executive management

Kenneth Andrews defined strategy as “*the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities.*” In other words, strategy is the bridge between mission, vision, and policies, and the tactics or activities undertaken to achieve the desired ends.

Strategic management is the process of developing an organizational vision and mission, defining corporate strategy, and implementing the strategy – identifying action-plans with priorities and responsibilities. It answers the questions: “What are the ends we seek?” and; “What should the organization be doing to achieve them?” Often, strategic management does not answer the questions: “How are we doing?” and; “Do we need to change course?”

Strategic Management Frameworks encompass traditional strategy development and strategic management, yet also incorporate the additional elements necessary to create a “tool” for executive management which greatly enhances and facilitates ongoing strategic decision-making, answering the questions, “How are we doing and do we need to change course?” Through the ongoing and thoughtful organization of data (knowledge), a strategic management framework enables the executive team to better align resources with strategies, ensure that actions are responsive, and hold the members of the executive team accountable, to themselves and each other. A well-crafted management framework is: Strategic, Responsive, and Accountable.

Strategic:

- Decisions are based upon current and accurate data
- Resources are allocated to the highest priorities, aligned with accepted strategies
- Only calculated risks are taken

Responsive:

- Decisions are aligned with business priorities
- Results are clearly defined and measurable; progress against objectives continuously monitored
- Plans and results are openly communicated

Accountable:

- Tough issues are immediately addressed - head-on and in the open
- All are held accountable; executives hold themselves and their peers accountable
- Silos are broken down; all members of the executive team support decisions

A strategic management framework goes beyond traditional goal setting and planning to incorporate elements of data gathering, monitoring, and analysis. It defines a process that supports informed and continuous strategic decision-making. Further, the framework defines a governance structure that prescribes how the executive management team will engage. It is supported and facilitated by a set of elements (policies, data, processes, etc.) that are the components of the framework that ensure results.

A well-crafted strategic management framework will likely define or incorporate the following:

- A set of policies and procedures that govern all corporate actions and ensure repeatable activities.
- A mission or vision statement that describes the company or organization and the desired “ends,” or what the company or organization will be.
- A strategic plan that is developed, agreed to, and supported by all of the executive team. The plan articulates specific goals and values and identifies a limited number of priorities. This plan is the “means.”
- A definition of roles and responsibilities and allocation of resources.
- Ongoing monitoring that produces data and analysis necessary to describe and identify external forces that could potentially impact goals and priorities.
- A framework for defining “tactics” – ways in which resources are deployed to support strategies.
- A set of performance measures necessary to track and evaluate progress.
- A structured forum, providing a regularly scheduled opportunity for executive management to make decisions, governed by pre-agreed to policies and procedures. Activities of this forum include communication of important information, strategic planning, budgetary review and decision-making, assessment of results, resolution of issues, and consideration of proposals.

A strategic management framework provides a structure to define the policies, processes, resources, responsibilities, and information necessary for executive management to plan, allocate, manage, analyze, respond, and improve. It encompasses all of the elements necessary to answer questions like: “What are we doing?”; “Are we doing the right things?”; “Are we doing things right?” and; “Should we be doing something else?” Through effectively linking vision, strategy, performance, and decision-making, a strategic management framework provides the executive team with a powerful “tool” to make decisions, take and manage risks, align responsibilities and resources, and measure performance, positioning the company (and themselves) for success.



About the author: David Coleman is Managing Director of The Summit Point Group, a strategic management and technology consulting firm with a special focus on companies undergoing transformation. A former Fortune 100 senior technology executive, David has over twenty-five years of leadership experience and recently served as Vice President of Technology at Fannie Mae, where he led strategic business and technology planning. During his tenure at the company, he managed technology and business divisions as the industry underwent significant transformation and was forced to cope with multiple crises. He is currently writing and speaking on “CIO Strategies for the 2009 Economic Crisis.”

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