



## Does your team know your strategy statement?

Imagine being CEO of Leinster Rugby and your team not knowing what your strategy is, how long would you keep your job? Like rugby, today's business environment is fast changing and dynamic.

Whilst strategy is a game plan to win, CEOs find it hard to develop coherent and easily explained strategies. Indeed, many teams cannot say what their business strategy is in a simple statement. If they can't, neither can anyone else.

Lack of a clear direction frustrates team members – Sales pursue strategy A, whilst Operations are focused on strategy B. This absence of clarity has a profound impact on performance.

Strategy is about choices. A **good strategy statement** shapes a pattern of choices and decision making. It provides clear signposts. Your team knows what actions to take (and not take).

Your companies' strategy statement should be clear and easily understood. Everybody knows how their role contributes.

### **CEOs find it hard to define a strategy statement**

CEOs know they should be doing something about clarifying strategy. However, the skeleton in the CEO closet is that many don't know how to create a good strategy statement.

Many CEOs have the strategy in their heads but not the structure to communicate it. Others due to the urgency of the day job use death by PowerPoint presentations and long budget meetings which confuse, rather than illuminate.

### **Key elements to a strategy statement**

There are many recommended ways of creating a strategy statement, however a good strategy statement should have the following four elements: 1) Objectives, 2) Scope, 3) Competitive Advantage and 4) Logic

#### **1. Objectives- What does winning look like?**

The first element is a long term (typically 3 years) set of objectives that the business is trying to achieve. The objectives should answer the question – *what does winning look like?* The objectives should be specific, clear and guide direction on the actions the business should take.

In Leinster's case, 'winning the Champions Cup' is too vague. A better objective could be to win the Champions Cup in the next two years, whilst playing the most attractive brand of rugby in Europe and become the world's best rugby academy. This is much more specific, directional and measurable.

#### **2. Scope – Where will we play?**

This means defining your ideal target customers and those you should avoid. Growing companies accelerate their revenues by concentrating their energies on 'sweet spot' prospects.

The sweet spot is where your target customer selection leads to a perfect alignment of potential customers' needs and your distinctive competencies.

Once you focus on sweet spot customers, you find that their needs are similar. You will understand their business needs better than anybody else. It allows you to configure your products, services and activities to deliver superior value – beating the competition more often.

In Leinster's case they may consider the following:

- 17,000 season ticket holders
- Best talent into our academy
- Best sponsors

#### **3. Competitive Advantage – how will we win?**

Beating the competition is at the heart of strategy. Competitive advantage is the 'how' of strategy. A good strategy statement includes a clear description of the 'advantage' you will have over your competitors.

Understand your industry. Look at your competitors' practices. Talk to industry experts and potential customers, to find out what really counts in your industry. Ask yourself the question, why should a customer buy from you rather than the competition?

For example, Leinster’s competitive advantages could include:

- Build partnerships with the community e.g. rugby schools and clubs
- Create innovative coaching environment e.g. world class coaches
- Offer a quality fan experience e.g. family days and great merchandise

The leaders challenge is to figure out the competitive advantage that will ensure they meet their goals.

**4.Logic – why will this work?**

Now test the logic of your strategy statement with the question: *“What has to be true if this strategy is to succeed?”*

Continually test the logic of your strategy to encourage your team to test and refine assumptions.

For Leinster to be able to win the Champions Cup, they must have the appropriate structures in place that bring about this outcome. If they fail to play a good brand of rugby it is unlikely that they will achieve their strategic goals. Similarly, attendances would fall if Leinster do not offer a quality fan experience.

**Leinster Strategy Statement**

<b>1.Objective</b> (what does winning look like?)	<b>2.Scope</b> (where will we play?)
<ul style="list-style-type: none"> <li>• Win the Champions Cup in the next two years</li> <li>• Play the most attractive brand of rugby</li> <li>• Have the world’s best academy</li> </ul>	<ul style="list-style-type: none"> <li>• 17,000 season ticket holders</li> <li>• Best talent into our academy</li> <li>• Best sponsors</li> </ul>
<b>3.Competitive Advantage</b> (how will we win?)	<b>4.Logic</b> (why will this work?)
<ul style="list-style-type: none"> <li>• Build partnerships with the community e.g. rugby schools and clubs</li> <li>• Create innovative coaching environment e.g. world class coaches</li> <li>• Offer a quality fan experience e.g. family days and great merchandise</li> </ul>	<ul style="list-style-type: none"> <li>• Right structures in place</li> <li>• Play good rugby regardless of the match day squad</li> <li>• Signups for season tickets</li> </ul>

**The Benefits of a Growth Strategy Statement**

A good strategy statement is the bridge between broad goals and detailed actions. Strategy is a key lever that helps your team move forward quickly. It helps channel energy into the most promising opportunities. Strategy is about selecting choices to win and making sure that everybody understands and acts on your strategy statement.

**Insight in Brief**

The essence of sound strategy is to make sound choices. It means saying no to some options and a resounding yes to others (and resourcing them). All companies face resource choices. It means selecting the right strategies. Strategy focuses energy and resources.

However, many CEOs and their teams are not able to say what their strategy is. This leads to confusion and poor choices.

If their teams followed a good and disciplines process for strategy creation, their businesses would grow much faster.