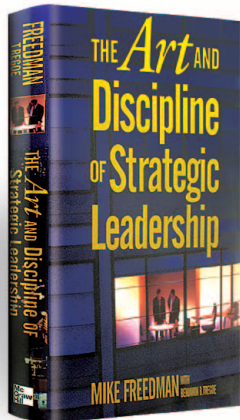


SOUNDVIEW Executive Book Summaries®

FILE: STRATEGIC MANAGEMENT



By Mike Freedman
with Benjamin B. Tregoe

Drive Breakthrough Strategic Thinking Throughout
Every Level of Your Organization

THE ART AND DISCIPLINE OF STRATEGIC LEADERSHIP

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THE SUMMARY IN BRIEF

In the 21st Century it is more critical than ever that CEOs provide clear strategic leadership. In the ever-changing business landscape leaders must master both the art of strategy creation and formulation and the discipline of strategy implementation and review. Mike Freedman presents the Kepner-Tregoe five-phase model for strategy formulation and implementation to show how your company can develop a strategic vision and action plan, communicate the vision, implement it, and monitor it to ensure ongoing success.

What You'll Learn In This Summary

- ✓ **How to use** The Enterprise Model to examine your company's external and internal environments before embarking on a strategic journey.
- ✓ **How to gather and analyze** the appropriate strategic intelligence to direct your company to a sound strategy.
- ✓ **How to formulate a strategic profile** using analysis, time frame, basic beliefs and your company's Driving Force.
- ✓ **How to determine whether your company is ready for implementation.**
- ✓ **How to develop a strategic Master Project Plan** for implementation of the strategic vision.
- ✓ **How to monitor and update your formulation and implementation process** so that your strategy remains evergreen.

THE ART AND DISCIPLINE OF STRATEGIC LEADERSHIP

by Mike Freedman with Benjamin B. Tregoe

— THE COMPLETE SUMMARY

Beyond Vision

Everyone throws around the word strategy, but what does it really mean? Freedman defines it as the **framework of choices that determine the nature and direction of an organization.**

A **Framework** establishes the boundaries and scope of the business activity.

The **Choices** are about the products and services provided, the markets served, and the key capabilities needed.

The **Nature** of the organization is what exemplifies it and describes its character. Like Intel's "chips" and McDonald's "fast food chains," nature gives strategic coherence to decision-making and communications.

Direction is the organization's future course determined by choices about future products and services, future customers and future markets.

Also understand what strategy is not. A decision is not strategic simply because it is long-term, or involves a multi-million dollar expenditure. These decisions can be made within the strategic framework, but only decisions that change the framework are strategic.

Critical Aspects

There are three critical aspects to a strategy:

- A strategic vision must be **based on facts, informed assumptions and the best-possible what-if thinking.**
- The vision must be **communicated throughout the organization** to clarify and align the role of every strategically critical player and process.
- The vision must be **monitored** to ensure continued strength, agility and relevance.

Recent strategic thinking has been weakened by dot.com-fueled fear of failure or the desire to appease Wall Street analysts. When weak strategies fail, some assume strategy is irrelevant or unnecessary. In fact, a company without a coherent strategy is particularly vulnerable in these times, as is any company that has a clear direction but poor implementation.

Strategy requires the art of creativity to fashion a vision and the discipline to direct thought processes and execution. Discipline turns vision into reality. Executives must proactively create a strategy instead of

succumbing to a default strategy that was inherited, stumbled into, or borrowed from a competitor. Lack of a clear strategy subjects your organization to competitor, shareholder and employee threats. ■

For Additional Information on threats of a default strategy, go to: <http://my.summary.com>

Preparing for Strategic Leadership

How Does Strategy Begin?

All strategic leadership starts with the chief executive, and in order to succeed, he or she must understand the playing field. The Enterprise Model developed by Alan Brache in *How Organizations Work: Taking a Holistic Approach to Enterprise Health* presents a full picture of the organization and the impacts on its strategy. [Editor's note: see Soundview Summary #24-17, *How Organizations Work.*]

The model demonstrates the organization's place in the value chain, external and internal influences, and its leadership capabilities before developing a strategy. Once the strategy is set, success relies on the issue resolution systems that will implement the strategy. A chief executive must fully understand each area and how it will affect and be affected by strategy.

The Strategy Process

Today's volatile world and marketplace require a

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Preparing for Strategic Leadership

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robust process to guide strategy formulation and implementation. To formulate strategy, a CEO should concentrate on the following issues:

- Strategy is built around the **answers to a few vital and specific questions**, not from the masses of data typically drawn up by consultants. Executives should know the answers to these questions; they just have to be honest and thoughtful about them.

- **Process-based questions yield better strategy than narrow, content-driven questions.** Consider the utility of these content questions. When should we enter the sub-Saharan marketplace? Which of those countries should we enter first?

Now consider process questions. Should we pursue growth through entering new geographic markets in Africa? What criteria should we use for selecting new markets? Does the sub-Saharan market meet our criteria better than other alternatives? The second group of questions uses a rational process to resolve the issue through a logical sequence of gathering, organizing and analyzing information.

- The **skill and commitment of the top team** is key to the success of strategy formulation and implementation. The rational process and tough questions allow everyone to use the same language and disengage from personal agendas and politics.

The Five Phases

In addition to the considerations above, there are five phases of strategy formulation and implementation processes that will be explored in the rest of the summary. These five phases are:

1. Strategic Intelligence Gathering and Analysis.
2. Strategy Formulation.
3. Strategic Master Project Planning.
4. Strategy Implementation.
5. Strategy Monitoring, Reviewing and Updating. ■

For Additional Information on the Nine Questions for Constructing the Strategy Framework, go to: <http://my.summary.com>

Phase 1: Strategic Intelligence Gathering and Analysis

Executives often gather reams of data to help formulate a strategy, but the data are only representative of the past and present. They say nothing about the future. With so much raw data available today, it is difficult to discern what is relevant and not get sidetracked by minutiae and research for the sake of research. But even

the right data is not useful if you do not use it to make judgments about the future. You only need enough data to **find implications of trends and assumptions for your own business.**

The team must ask universal questions that explain the past and present and look to the future. Examine broad areas of your external environment that are out of the organization's control: **trends in the economy, society, government, politics and technology that could affect your business.** Then identify key players in your current value chain: your **major customers, purchasers and end users.** What trends are likely in your **supplier base?** What is the **overall competitive scenario** in the structure of the industry's value chain? What are the **essential requirements for success** for any organization in the industry, and how do you measure up?

Find other clues to the future by looking at your company's internal environment: When have you been **successful or unsuccessful** with products and services, customers or end users, or in various geographic markets? What was the cause? Questions about past internal strategy processes will also help: What basic **beliefs or values** affect organizational culture and strategic behavior? What is your **strategic history?** What are the **expectations of your various stakeholders?** What are expectations for **growth and return?** How well have you **implemented previous strategies**, and do your **business plans and annual budgets** reflect your strategy? Do you have a **review process** for your strategy?

These questions determine which data are strategically relevant. Your team will now move from information to judgment to strategic insight. You will develop a set of commonly held assumptions about the external and internal environments that the company will operate in over its strategic time frame and the implications for your company. Assumptions, or general knowledge, should be distinguished from implications, which are the insight into the effect on your organization. This process is inherently iterative and will take a lot of work; however, if done well it will provide a solid foundation for the remaining four steps of strategy formulation and implementation. ■

Phase 2: Strategy Formulation

Strategy formulation begins with the company's **strategic time frame and basic beliefs.** Time frame and basic beliefs will help determine how to guide the organization, define and strengthen your competitive advantage, recognize which key capabilities you need, allocate scarce resources, determine direction and scope for growth and new business, and plan expectations for return and profit.

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Overview of Gathering and Analyzing Strategic Intelligence

1. Gather accurate data, focusing on vital questions not masses of information.
2. Distill data into a manageable quantity and identify common themes.
3. Analyze and agree on the meaning of the information presented.
4. Make judgments based on environmental assumptions and implications.
5. Analyze potential problems and opportunities.
6. Evaluate the validity of assumptions and implications.

Strategy Formulation

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All goals must have an endpoint to create a sense of urgency for accomplishment. Your **time frame should be determined by your individual organization and the forces that affect it** — from macroeconomic trends to emerging regulatory concerns to your value chain's timetable. The strategic time frame is not the same as the time period for long-range planning activities, which are often arbitrary and determined by accounting and shareholder expectation.

Basic beliefs are deeply held tenets, creeds, convictions or persuasions that provide the social cohesion of organizations. They set boundaries for day-to-day decision-making, reinforce strategic unity, and set a standard for performance and accountability. Basic beliefs must be defined during the strategic intelligence phase and returned to throughout the process. Identify beliefs by considering where they came from, how they are articulated and demonstrated, how new beliefs become implemented and accepted, and the desired nature of your company's relationship with its stakeholders. Beliefs are meaningless unless they support your strategy. They are not just nice to have, they explain how an organization conducts its everyday business, and they align communications, culture and practices with strategic vision.

Driving Force

Freedman coined the phrase **Driving Force** with his colleagues at Kepner-Tregoe. It is **“the primary determinant of the products and services an organization will and will not offer and the markets (customers, consumers and geographies) it will and will not serve.”** It expresses the essence of what your business is about. You will need the Driving Force to provide the

focus for your competitive advantage, the scope of your products and markets, key capabilities and communications systems. It is also a filter for new growth opportunities and a guide for phasing out non-strategic business areas. After establishing a time frame and basic beliefs, you will brainstorm alternative strategic visions for consideration based on one of the eight Driving Forces at the core of all strategies.

Three of the Driving Forces are quite common. Companies with a **Products/Services Offered** Driving Force provide a limited range of products to an unlimited market, such as Rolex and Toys R Us. **Markets Served** companies provide an expanding group of products to a specific market, such as Dunhill and Nike. **Return/Profit** companies, such as General Electric, focus primarily on increasing financial returns.

The other driving forces are **Low-Cost Production** (eg. commodity companies), **Technology** (eg. Cisco and GoreTex), **Natural Resources** (eg. oil companies), **Method of Sale/Distribution** (eg. express mail delivery companies), and **Operations Capability** (eg. printing and metal fabricating companies).

Choosing the optimum Driving Force for your company will be one of your most important decisions. It is an intense and demanding job that will determine your organization's competitive advantage and the key capa-

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Finding the Driving Force Of Hallmark International

Sales for Hallmark International, the half-billion dollar global subsidiary of Hallmark Cards, Inc. were slumping. One reason was that the global company kept trying to emulate the driving force of its U.S. parent, which had the characteristics of a Market Served organization — it offered its mostly female, middle aged, middle of the road clientele greeting cards, television miniseries, inspirational posters, a chain of portrait studios in the malls and even the Crayola crayons.

Hallmark International tried to base its strategy on the Markets Served Driving Force, but its diverse, multi-national client base didn't respond. The Method of Distribution Driving Force, based on the success of the U.S. parent's distribution network, was also considered — but company executives thought Hallmark Card's success would be difficult to emulate.

Finally, Hallmark International settled on the Products Offered Driving Force, which focused on greeting cards and very closely related products. The decision played to Hallmark International's strength: meeting customer needs for greetings, expressing care and building relationships.

Strategy Formulation

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bilities required to capitalize on it. Your team must determine a ranked set of objectives for the company and use a well-defined process to develop and articulate future strategic visions for several Driving Forces. Discuss how well each Driving Force fits the prioritized goals, and choose the right one to propel your company toward unity and purpose.

Completing the Roadmap: Thrust and Priorities

Now use the Driving Force to determine an actionable plan to drive the company's product and market momentum. Your team must envision its future business in terms of the thrust and priorities for growth and new business, and then outline specific products to be offered and markets to be served.

Companies can rarely venture into entirely new products and new markets at the same time and still maintain their Driving Forces (see box at right). The exception is the Return/Profit driven company where the only constraints are financial. A Products Offered company, such as a carmaker, will generally remain with current or modified products instead of completely new products, but may enter new markets. A Markets Served company, such as *Playboy*, will offer modified and new products, but stay in its current market. If there is a relatively risk-free and potentially profitable way to head in both directions, the strategy team should make it clear that this venture is outside the core business. Fully exploiting the current product in the current market is often overlooked in pursuit of more exciting options, but it can be an excellent source of growth.

After clarifying the company's products and markets, the team establishes the financial goals it expects from the strategy. Only a purely Return/Profit company has financial goals as its prime motive behind strategy. For other companies, financial success should be an *output* of strategy, not a motivator. Financial goals should be expressed through specific parameters like ROI, profit targets, cash flow requirements, as well as through general parameters like increased revenue and improved year over year performance. These are not financial plans or projections, but goals describing an ideal future.

The Product/Market Matrix

Now it is time to create the Product/Market Matrix as a roadmap to achieve the strategic vision. This matrix (see example on following page) is a robust tool that allows you to manage strategy by determining relative emphasis of each product/market combination and showing you how to allocate scarce resources to exploit competitive advantage. There are four steps to create the matrix.

● **Segment Products and Markets** — Use the

Thrust for Growth and New Business: Priorities

Each strategic Rubicon separates current and modified products from entirely new products, and current and extended markets from entirely new markets. Determining the organization's exact thrust for growth and new business lies in the priority assigned to each of the four to six boxes the company will pursue.

		Products/Services			
		Current	Modified	Entirely New	
Markets	Current	A	B	C	A Every organization has current markets and products. Companies should seek to maximize opportunities in this area before venturing further. B Most organizations will pursue current and modified products, and/or current and extended markets, early in the strategic period. C Many organizations will eventually aspire to address either products/services entirely new to them, or entirely new markets. D Few organizations will be able to take new products to new markets.
	Extended	B	B	C	
	Entirely New	C	C	D	

Driving Force to segment products and markets into strategic categories that share a natural synergy. Place all current and potential products and markets that are consistent with the strategy along the two axes.

● **Determine Criteria for Emphasis** — Using previous strategic intelligence gathering, Driving Force, competitive advantage and key capabilities, basic beliefs, and initial financial targets, establish criteria for assessing the relative role for each product/market combination, or cell in the Matrix.

● **Assess Each Cell** — Use the established criteria to conduct a small-scale decision analysis on the future activity for each cell that reflects the contribution to the strategic intent. Determine the future degree of emphasis (Low, Medium, High) and the type of emphasis (Develop, Sustain, Opportunistic, Monitor, Explore, Phase Down) needed to achieve the ideal future.

● **Review Matrix and Strategy** — This is an iterative process, and most companies find they have too many "High" and "Develop" types of emphasis cells. The team must review and rework to obtain a real action plan rather than an unobtainable wish list.

At this point the team will have gathered so much information, it is time to stop and articulate a strategic profile using all of the information, judgments and implications developed so far. It will allow the team to effectively get to the nitty-gritty of implementation. The CEO must also take time to consider the team and how it is working. Do roles have to be changed? Does the team need more support? ■

For Additional Information on how to build the Product/Market Matrix, go to: <http://my.summary.com>

Example of a Product/Market Matrix

Example of a Product/Market Matrix

Current Products												Modified Products	Entirely New Products	Total Overall Customer Emphasis							
Alcohol			Sodas		Juices		Coffee, Tea, Milk	Non-beverage, Nuts, Chips, Pretzels, Cookies													
Beer	Wine	Spirits	Coke Clones	Others	Organic	Standard															
Current Markets	Retailers	Supermarkets	H M	D	H M	D	L M	PD	M M	S	L L	S	H L	D	L M	O O	E	L O	D	H M	
		Specialty	H H	S	M L	D	M M	S	L L	S	L L	S	M O	D	L L	O O	E	L O	D	M M	
		Corner Shops	N/A		N/A		N/A		L M	PD	L L	S	L O	D	L L	O O	E	L O	D	L L	
	Pubs	Chains	H H		H M	D	M H	PD	M M	S	L L	S	L O	D	L M	PD	M O	D	L O	D	H M
		Independents	H H		H M	D	M H	PD	M M	S	L L	S	L O	D	L M	PD	M O	D	L O	D	M M
	Government	Educational Establishments	N/A		N/A		N/A		L M	PD	L M	PD	L H		L M	PD	L O	E	O O	E	L M
		Hospitals	L L	S	M L	D	O L	PD	L L	S	L L	S	H L	D	L M	PD	H M	D	O O	E	M L
		Retirement Homes	L L	S	M L	D	L L	S	L L	S	L L	S	H L	D	L M	PD	M H	D	M O		M L
	Total Overall Product Emphasis			H H		H M		M H		L M		L L		H L		L M		M O		L O	

KEY

Degree of Emphasis

H = High

M = Medium

L = Low

N/A = Not applicable,
e.g., lipstick to men

O = Choose not to pursue
at this time

future

X

current

Type of Emphasis

D = Develop

S = Sustain current effort

OPP = Opportunistic

M = Monitor

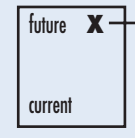
E = Explore

PD = Phase Down

KEY

Degree of Emphasis

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Type of Emphasis

D = Develop
S = Sustain current effort
OPP = Opportunistic
M = Monitor
E = Explore
PD = Phase Down

Phase 3: Strategic Master Project Planning

Reluctance or incompetence in crafting a process for implementing strategic change is the most reliable predictor of failure. Every corner of the organization must change, so strategy implementation should be built into the work of the entire organization. The scheduling, resourcing and sequencing of project management are familiar to us all, but the Strategic Master Project Plan has the following distinguishing characteristics:

- All projects in the Plan flow **directly from the strategy**.
- Plan includes a considerable number of **diverse projects**.
- Plan requires the **disciplined prioritization** of initiatives.
- There is enterprise-wide adoption of **common project management language and methodology**.
- Plan includes **disciplined approach** to project management methodology.
- Success depends on discipline, commitment and active support of entire top team.

The purpose of the Strategic Master Project Plan is to assess the necessary strategic initiatives, integrate the existing operation projects, identify which projects must be accomplished first, and create an overall system that keeps implementation in line with the strategic vision.

The projects that address the **critical issues** discussed above are of highest priority. The team then looks at the **strategic profile** and determines the difference between the organization's current state and the ideal. The strategic profile developed in Phase 2 consists of the Product/Market Matrix; competitive advantage; key capabilities; basic beliefs; strategic intelligence gaps; functional, divisional or business unit strategies; and potential mergers, acquisitions or joint ventures.

Existing key projects such as moving headquarters or upgrading a telephone system must be considered in the way they affect the organization's ability to implement strategy. Finally, the top team should use the **Enterprise Model** as a diagnostic tool for determining affect of strategy on the organization as a whole. For each component of the Model ask, "How do we compare with our strategy ideal for this component?"

By drawing on these four sources, the top team gathers a potential pool of projects for the Strategic Master Project Plan, and then prioritizes them based on impact and urgency of their results. By using the strategic criteria they develop an optimal portfolio of projects that can be accomplished within the constraints of available resources. As organizational capacity and resources become available, more projects can be added to the portfolio.

Once the portfolio is determined, the top team must

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Common Implementation Pitfalls

- ✓ **Strategic inertia** or not getting started.
- ✓ **Lack of stakeholder commitment** to the vision.
- ✓ **Strategic drift**, or not focusing on the destination.
- ✓ **Strategic dilution** where things are moving, but it's not clear who's driving.
- ✓ **Strategic isolation** where things are happening, but no one communicates.
- ✓ **Failure to understand progress** or know where you are on the journey.
- ✓ **Initiative fatigue** when things are happening, but nothing gets done.
- ✓ **Impatience** for immediate change.
- ✓ **Not celebrating success** and rewarding progress.

Strategic Master Project Planning

(continued from page 6)

set the foundation for the best possible execution. They must choose a **single systematic process that defines project management discipline**. It needs robust tools for resource planning, scheduling and monitoring, and should also **make time for the people side of project management**, including communication, motivation, and time management and balance. The **strategy formulation team must have its own management structure** with the systems to support it, including stewardship and support from the top team and a well-funded support office dedicated to the implementation. The **top team also devotes ongoing effort to monitor and manage** the success of the overall Plan, including reviewing the portfolio and managing employee behavior. ■

For Additional Information on typical roadblocks of Strategic Master Project Planning, go to: <http://my.summary.com>

Phase 4: Strategy Implementation

Aligning the Infrastructure

The fourth strategic phase is implementation. Though all Strategic Master Project Plans are different, they do have some common traits that are so important that they must be regularly reviewed and realigned with the strategic intent when necessary.

Organization Structure: When approaching implementation, first examine the current structure. If it promotes implementation, leave it alone. If it doesn't, use

the Driving Force to suggest a different structure. A Products Offered company will most likely consider a structure reflecting its major product categories. Most importantly, the selection criteria for structure must be rooted in the strategic vision.

Strategic Information Management: Companies expect their capacity to gather and synthesize information to play a crucial role in success, but the analysis and dissemination of critical strategic information must be built into the implementation plan. The Driving Force will determine the most important strategic information needs, such as a Markets Served Driving Force company that will need data on demographics and related trends.

Complexity: Because CEOs don't like to say no and companies try to be all things to all people, there is a lot of unnecessary complexity in companies. Strategy teams must ferret out any organizational complexity that will cripple implementation.

Aligning Strategy, Culture and Performance

Ignoring the "soft" or human side of implementation jeopardizes your strategic goals from the outset. There is a direct line of sight from strategy to culture to performance, and then on to business results. Freedman and Tregoe define culture as **"the combined effect of behaviors, values, heritage, thinking and relationships and the way these are embedded in an organization and its performance."**

Culture: To align strategy and culture, leadership must address both the explicitly expressed values and behaviors and the latent elements hidden in the organization's subconscious, with a focus on those culture elements that have remained unchallenged for years. Basic beliefs are key to setting strategy, but without leadership they don't define or create a strategic culture.

Performance: Consider the extent to which the strategy and its supporting culture are embedded in the way your organization directs, manages and rewards its people? How does your organization produce behavior from employees that are directed toward achievement of a specific goal? How are people rewarded and encouraged to behave? It is also important to align the performance system with the strategy, so people are encouraged to pursue the strategic dimension of their jobs and receive negative consequences when they ignore them.

Communicating Strategy

Failure to communicate the strategy throughout the ranks is a death sentence for implementation. There are many stakeholders involved when a new strategy is implemented — employees, unions, analysts, shareholders — and all of them have their own biases and preconceptions about a new strategy. They will ultimately

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Strategy Implementation

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respect a strategy that shows clear direction and purpose, because they will have important roles in its future.

Communicating strategy promotes ownership and gives people a reason to support the implementation. Stakeholders can also be an important feedback source when they understand the strategy. Communication translates the big-picture vision into specific expectations from individuals and groups, and helps to motivate and get people committed to change. When communication is implemented properly every internal and external stakeholder will know **“what does this mean to me?”** Finally, proper communication changes behavior, because strategy informs the processes of setting goals, developing job descriptions, managing projects.

When the top team sets out to communicate the plan they must explain the strategic profile and Strategic Master Project Plan to the internal or external professionals who will execute the plan. They must know the nature of each audience and the appropriate message. For instance, communication about the company’s thrust for growth and business will be communicated differently to middle managers, plant workers and investment bankers.

Communications should begin early to quiet rumors and reassure employees, and the top team should shoulder the responsibility. When communicating with a specific audience, they should stick together and remember to communicate face-to-face as much as possible, involve the supervisor closest to the target audience, listen as well as talk, skip the dazzle and focus on the message, engage the audience, and connect every message with an action or plan to be implemented. People will watch closely for congruence between actions and words, but if communication is built into the Strategic Master Project and used effectively, it is invaluable for driving the changes in culture and individual performance that make implementation possible. ■

For Additional Information about constructing a Communications Matrix, go to <http://my.summary.com>

Phase 5: Strategy Monitoring, Reviewing and Updating

The final phase of the strategy process asks the top team to keep the strategy “evergreen” by asking what could go differently than anticipated, how will you know if it occurs, and what will you do when it occurs.

Monitoring: The top team monitors both the continuing viability of the strategy and its implementation. They review how well the company is implementing the pro-

Components of the Communications Plan

- ✓ Strategic message
- ✓ Means of testing the listener’s understanding of the strategic message
- ✓ Understanding of the costs
- ✓ Schedule for releasing information and obtaining feedback
- ✓ Evidence of top management’s direct involvement
- ✓ Built-in feedback mechanism

jects in the Strategic Master Project Plan. Is strategy driving the decisions made in your company, or are managerial “lone rangers” operating independently of strategic imperatives? Leadership determines if the environmental assumptions made during strategy formulation are still valid, if the company is performing well against financial expectations and other key indicators of strategic success. If not, the strategy may not be viable. The top team must continually revisit the components of the strategic profile to make sure they are still applicable.

Renewing: Leadership must consider the implications of any identified deviations from the strategy discovered during monitoring. The strategy generally needs to be reevaluated when small deviations occur on a regular basis, or when there is a major deviation. Determine if the deviation is the direct result of the strategy rather than operations, but avoid blame and finger-pointing. In the absence of identifiable deviations, there should be at minimum, an annual review of the strategy.

Sticking to it: It is important to recognize that monitoring is just as important as strategy formulation and implementation. Executives may not want to keep up with monitoring because it is never-ending, and in the current fast-paced business environment it is hard to keep an evergreen approach, even though it is more critical than ever to have one. Companies should not monitor for the sake of monitoring, but so that they can manage change. Survivor companies adapt quickly to changes in the business environment if it is necessary to maintain strategic focus. Successful companies anticipate change and alter their strategies in advance. World-class companies dictate the nature and pace of change, redefining their industries and even drive the value chain. The difference between these kinds of companies is the rigor of their strategy monitoring, reviewing and updating. ■

For Additional Information on Strategy in the 21st Century, go to: <http://my.summary.com>