A Transformative Approach to Strategy for a World that Won’t Stand Still

The Future of Strategy

Singapore, May 14, 2015

Dr. Martin Fabel
Today strategy has mostly “disappeared” – absorbed in the frantic efforts to pursue or fix competitive advantage.

Source: A.T. Kearney FutureProof
How do you perceive strategy formulation today compared to the level of difficulty ten years ago?

**Level of difficulty**
in formulating strategy over the last decade

A. Easier: 16.4%
B. Stayed the same: 9.8%
C. More challenging: 73.8%

Source: CARI ABC Forum in Singapore, May 2015, n=61
How much time do you spend for strategy formulation today relative to time consumption ten years ago?

**Time spent formulating strategy**

- A. Less than before: 10.7%
- B. Stayed the same: 21.4%
- C. More than before: 67.9%

Source: CARI ABC Forum in Singapore, May 2015, n=56
Across the board, companies feel that strategy formulation has become more challenging and time consuming.

**Level of difficulty**
in formulating strategy over the last decade

- 62% More challenging
- 21% Stayed the same
- 17% Easier

**Time spent**
formulating strategy

- 74% More than before
- 22% Stayed the same
- 4% Less than before

Source: A.T. Kearney 2013/2014 strategy study, n=2,010
How long is the strategy cycle of your company?

Length of strategy cycles

A. Ad-hoc 31.5%
B. <2 years 38.9%
C. 3-5 years 25.9%
D. >5 years 3.7%

Source: CARI ABC Forum in Singapore, May 2015, n=54
How has the strategy cycle of your company changed over the last ten years?

Evolvement of strategy cycles in the last decade

A. Shortened 71.1%
B. Stayed the same 24.4%
C. Lengthened 4.4%

Source: CARI ABC Forum in Singapore, May 2015, n=45
Despite these efforts, strategy cycles have shortened and typically now span less than two years.

**Strategy cycles are short…**

- **63%** in <2 years
- **25%** in 3-5 years
- **6%** in >5 years

**…and they are becoming even shorter**

- **42%** shortened
- **45%** stayed the same
- **13%** lengthened

**Evolvement of strategy cycles in the last decade**

*Source: A.T. Kearney 2013/2014 strategy study, n=2,010*
How satisfied are you with your company strategy overall?

Satisfaction rates of strategies

- A. “Exceed expectations” 5.3%
- B. “Exceed expectations on some fronts” 21.1%
- C. "Meet all expectations" 10.5%
- D. "Don't deliver on some fronts" 60.5%
- E. "Fail broadly" 2.6%

Source: CARI ABC Forum in Singapore, May 2015, n=38
Despite these efforts, strategy increasingly fails to win where it matters most: in the organization.

**Satisfaction rates of strategies**

- **C-Suite**
  - Exceeds all: 18%
  - Exceeds some: 33%
  - Meets all: 30%
  - Don't deliver on some: 19%
  - Fail broadly: 1%

- **Management**
  - Exceeds all: 4%
  - Exceeds some: 26%
  - Meets all: 22%
  - Don't deliver on some: 47%
  - Fail broadly: 1%

**C-Suite satisfaction**: 81%

**Organizational doubt**: 48%

Source: A.T. Kearney 2013/2014 strategy study, n=2,010
Many smart “ersatz” strategies promise relief – but none of them provides a true substitute for strategy

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**Leadership and Values**
- **Start with Why**
- **Lean Six Sigma**

**Autarkic Approaches**
- **Lean Strategy**

**Slicing the strategic cake**
- **Blue Ocean Strategy**

**The next best thing to strategy**
- **Fast Strategy**

Source: A.T. Kearney FutureProof
FutureProof methodology centers on three principles, building on our experience and the latest strategy trends.
Future focused approaches such as Scenario Planning and Foresighting provide the starting point for strategy formulation.

Source: A.T. Kearney FutureProof
Technology-enabled inclusion allows for new levels of organizational and even customer engagement.

Organizational inclusion

- Executive team (~25)
- “Engaged Coalition” (~55)
- All client employees (~1,000)
- Key customers
- Key vendors

Interaction

- One to one executive interviews
- Executive alignment meetings
- Technology enabled co-creation sessions
- Empowered working groups
- Use of social media (Yammer)
- Voice of the customer / vendor

Source: A.T. Kearney FutureProof
Which FutureProof Pillar is most relevant for your organization?

A. Future-in Inspiration: 41.9%
B. Organizationally Inclusive: 29.0%
C. Portfolio of Competitive Advantages: 29.0%

Source: CARI ABC Forum in Singapore, May 2015, n=31
Writing a new chapter in the history of strategy

The history of business strategy

Exclusivity & Monopolies  Scientific Management  Strategy Heydays  Strategic Proliferation  Future Proof

1900  1968  1995  Today

What are your thoughts on FutureProof?
For further information on FutureProof, please do not hesitate to contact Martin

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