

La Vista Dal Fulcro



Credit – Rodney Smith, “Two men standing on See Saw No. 1”

(The view from the fulcrum*)

By Troy Forrest

13 strategy discussions for business leaders in 2019

A free client whitepaper

The view from the fulcrum

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Left, or right?

Massive, or boutique?

Build, or rent?

The decisions on the plates of the business leader of 2019 are more multi-dimensional than ever, and less anchored by a history. A point of origin, or a mechanism that progressed your enterprise over decades to its current point, is not the rigid paradigm for tomorrow's operations it might once have been perceived to be. Today's organisation, and tomorrow's, has a plethora of options and enablement mechanisms available to it. The means to completely reinvent and redeploy their energies, to deliver and realise value on paths perhaps never before imagined.

So the leader's role, while exciting and opportunity-filled, requires a more thoughtful and deliberate circumnavigation of the options landscape, the multi-directional forces, the 360° array of positions their entity might take. The strategic decisions before them are multitude. They simply can't be sighted, appreciated or contextualized sitting on one comfortable side of the see-saw.

They need a leader to stand on the fulcrum and scan.

As a starting point, consider thirteen landscape dimensions and wider-view discussions you might bring into your next leadership strategy conversation.



1. The shape-shifting supply chain.

From conception to consumption, somewhere, you've been building, delivering and reaping profit from a position (or positions) on a supply chain. Whether you're the idea generators, or builders, or parts suppliers, or service delivers, or expert advisors, or delivery businesses, or bolt-on'ers, or input mixers, or the business that shines the final product and puts it on the plate of the ultimate beneficiary, your position isn't necessarily fixed in tomorrow's marketplace.

- Customers are bypassing you to reach suppliers

- Suppliers are bypassing you to reach the consumer
- Collaborators are coming out of the woodwork to reinvent the space
- Complete random strangers you never heard of are becoming competitors

The exciting part is there's opportunity in that shape-shifting, but it requires you to take a pill on a few matters;

- Will the supply chain of which we're a part continue to exist in the years ahead?
- Will the section of the supply chain we currently reside on continue to have a role / deliver sufficient value / exist in years ahead?
- If so, are we best / willing / able to win sustainable and profitable share there?
- If not, what's in our bag of tricks, our evolving value proposition, that might enable us to set up camp valuably, lucratively, on a different section of the same supply chain?
- Is there another supply chain out there, that has an emerging or persisting need, has opportunities, suited to a version of our engine (and might its future look brighter than the plains we're playing on now?)

2. Stenting versus drilling

There's a school of thought that says the savvy business works to understand the key choke point in its marketplace, then works to own the valve. The rate-limiting step in realising upsides or mitigating against downsides. Where power or risk is disproportionately represented, or where supply & demand concentrate or connect in the pipe. It can be to do with access to talent or raw materials, or speed of delivery, or proprietary technology, or technical proficiency, or scale of deployment into a large or diffuse marketplace. In commandeering the choke point, one option is to stent it. Wedge it open, under your terms, to expand or maintain flow into the future.

The other side of the fulcrum though is drilling for oil elsewhere.

- Where, if the market choke point were to narrow further, or even close, is there new ground we should be test-drilling?
- Knowing our core purpose, our aspiration for our enterprise, and our resourcing set, what alternate plains look most likely to contain new flows that we could tap, manage, capitalise on and retain control over the valve for awhile?
- If we leave our current choke point to go drilling for new flows, what are the risks in leaving it for another to dominate? And if we stay, and try to eke out the last drops from this tap, what headstart opportunity costs are we likely to pay (giving first dibs on new choke point control to another?)

3. Organic versus engineered

The rigid organisational architecture so beautifully constructed and efficiency-maximised during the last industrial revolution is, in many quarters, proving itself unfit-for-purpose in the tech-underpinned world. Hierarchical structures, bureaucracies, process-mapped departments... many facing redundancy, many unnecessarily cumbersome and many being gazumped by agile, iterative and organic mechanisms.

Ubiquitous access to knowledge on your mobile device, a growing comfort with the transient gig economy and a hyper-mobile global population means that the gains of a centralised mega-office and culture (don't forget your punchcard) are being one-upped by tele-commuters, smart as-needs deployment and amorphous workforces. Uber, Fiverr, AirBnB, Task Rabbit, Youtube, Podcasts... swarming enterprises pinning crystalline structure to the mat. That's not to sound the death knell for the cascading org chart (though the tea lady's departure awhile back might've been the shot across the bow). It does mean though you might consider the relative merits of rigid versus flexible approaches to team forming and deployment;

- Will the strength of a smartly constructed, neatly arranged tower approach (be it in departmental lines and interfaces, or product development & delivery) be a valuable, sustainable differentiator in 3-5 years, versus the emerging organic competition in your market (in other words, will the suits stare down the charge of the hippies & hipsters, or will the shift sustain?)
- Where once you were prescriptive, are there cases and opportunities for a more organic, flexible approach to gathering a group, developing a solution or engaging a client community?
- If you're going to play more organically, what checks and balances, or criteria are you wrapping around the edges, to stop "agile and iterative" from becoming "loose, tangled free-for-all with no discernable productive output"?
- If you're going to persist with, or double down on, smart architecture, are there some more organic attributes you can incorporate to prevent your construct from becoming a redundant monument to control & command in the years ahead?

4. DIY enablers versus DIFM service provision

The dichotomy faced in many sectors – our customers are increasingly empowered to tailor-make their own solutions (YouTube instructionals making Do It Yourself easier than ever), BUT the time-poverty / services-as-commodities trends in many spaces mean that folk are more willing to pay others to tackle jobs we'd never previously dreamed of outsourcing (there's a Do-It-For-Me Task Rabbit & Uber Eats equivalent for everything).

- Where's our sector, and pay-for demand, heading? Empowering DIYers? Or serving it up on a platter to feed a growing desire among DIFMers?

- What does the evolution of our value proposition look like if more of them are wanting to self-tackle part of the labour we used to provide for a fee?
- What does it look like if they want us to start doing more of the things they used to do themselves?
- Is the right model for us (purpose-fitting, value-generating) going to be at one end of that spectrum, or the other, or a hybrid version that we can dominate with?

5. Selling.... (who's carrying the cash bag?)

Entire industries (big ones, like global pharma) are staring down the barrel of a fascinating threat. It's clients saying "you, brochure-toting, feature-and-benefits-spruiking, pseudo-educator of mine this past century, no longer deliver sufficient value for the 5 minutes I was prepared to invest with you. Begone. I shall avail myself of clinical updates and reasons-for-changing in my own way, in my own time, on my own device, without that always-there fear of cork taint."

Consumer power – tech-powered-power – means a massive rethink of the role and value proposition of the sales professional in umpteen spaces. Has marketing ever been happier ("we've always known we were the smart ones!") But before you get too smug, hip creative types, know that your gig is shifting at a rapid rate of knots too (and hiding behind a keyboard or pallets of corflute is being exposed like never before). The demand for truly valuable content marketing, commercially leveraging social power, metrics that can actually tell us which half of the advertising spend is working... the mist around the alchemical mystique or marketing is lifting (and you want to be ready, marketeers... 'cause cash delivery responsibility is now firmly in your court.)

I'm not sure we're ready for an Arthur Miller sequel ("Death of ALL Salesmen"), not will marketing have all the sales numbers sat atop their head like William Tell's apple. However there are vital cash questions to be considering;

- If consumer desire to spend time with a "salesperson" in our space continues to fall... what's our plan to collect cash?
- What do we need to do to develop and deploy an effective sales force of tomorrow, whose time delivers sufficient value to our target clients AND the organisation?
- If we shift more of the cash-collecting requirement to those previous precursors & fertilisers of sales – marketing – how will the function have to evolve in our business to be effective in closing it?
- Where is our consumer attention likely to move in the years ahead (and which streams do we need to bulk up now if we're to have hope of commanding a behavior-shifting quantum of attention to deliver on our cash needs in the years ahead?)

6. Value proposition realignment (pleasure & pain weights)

Everything your organisation does for its beneficiaries is to do with Pleasure Delivery or Pain Removal. Helping them achieve goals, enjoy upsides, enable things they're excited about... or protecting them from heat, extracting them from trouble, minimizing the hurt.

Given evolutions and revolutions taking place in your space, of the options and changing wants and needs of your beneficiaries, how might your value proposition (the mix of pleasure provision and pain protection activities and deliverables) need to move in the coming years?

- If you're currently in the business of helping others attain desirable, "happy places", are there some evolving back-end risks or threats your value proposition might incorporate to provide coverage against?
- If you're in the business of building firewalls and holding the hands of those who've come a cropper, are there some in-advance pleasure propositions you might evolve to offer, that might be desired and valued by these people that already trust you when they're vulnerable?
- If your market is broadly moving to "cover yourself in advance", or to "don't worry so much about things you can't control (pass a Corona)", what does that mean for your value proposition (and is it cyclical (ergo, hold your line) or do the tea leaves point to a fundamental sustained shift (ergo, move)?)

7. Consumer migration (mental & physical)

Maybe they used to turn up at the door to your shop. Maybe they faxed the orders in. Maybe your monthly magazine was a staple part of their tearoom reading. Maybe your rep used to call on them once a month in the paddock, or the quarry, or on the construction site, or in the surgery. Maybe email worked for a while. Maybe they had a pattern and mechanism of engagement that suited them... and so you engineered for it...

... and maybe it changed (or it's about to).

- Where are they going, these beautiful friends? Where are their heads and attentions moving to? Where are they increasingly, meaningfully engaging with peers, with collaborators, with partners and with suppliers, more and more?
- Physically, where are they increasingly clustering, aggregating, shifting to, in numbers? Or are they dissipating? What does that do to your offering, your cost structure, your mechanisms for meaningful, value-uncovering & providing interactions?

- What migration of minds or masses are you anticipating seeing, based on trend winds and the bold moves of others in your sphere? What does that do to the big investment & resourcing decisions, or the tone and trolleys for your messages?

8. Abandoning sunk costs versus gritting teeth through the badlands

So that strategy you poured time, people, cash into, for a sustained period... it's not paying off. You're super-familiar with the territory, the surrounds, and in your minds eye, you can see the ultimate realisation of the dream. But the shoots aren't penetrating the surface yet. Maybe they never will. Maybe they died. Or maybe they're just not there... yet.

- What criteria are you employing to determine whether that not-yet-paying-back investment is a permanently sunk cost, or whether persistence and patience is needed for it to mature and bear fruit?
- If continuing down the pre-planned path is just not the right option, are you better to dump... or turn left and preserve certain aspects of the investment... or bring in another to carry you over the line?
- If you're not yet convinced it's a dead end (and that holding your nerve awhile longer is the right play), are you setting yourself clear limit-of-maps indicators to tell you when it's time to quit? Have you reconciled the impact if it is in fact a dead end? And have you exposed enough other wise minds to your scenario to make sure you're not suffering optimism bias?

9. Meta-trends (there, but....?)

The planet is warming. Populations are urbanising. The quest for green builds. The robots are coming. The war for talent rages. Schools are changing. We crave deeper connections, a real belief in the authenticity and integrity. Values in leadership. Online shopping kneeing bricks and mortar in the kidneys. CX. UX. FX. WTF.

Meta-trends are big shifts we're observing in the rear view mirror. Stuff that's enlarging to a point we've now noticed it. Real stuff, and impactful stuff, maybe to all (definitely to some). The question is, are these forces, these changes in the world, things you should be worrying about as you make your strategic decisions? They may have an impact on your market, on your quest to fulfill your Purpose, but maybe your big choices are better made in different domains? Maybe these things beyond your control, things only appreciated in hindsight, wash over the world as a whole, and the opportunity lays not so much in seeking to find your way through a secret loophole, but to accepting or ignoring it (to an intelligent degree) and getting on with decision making in dimensions that you can really impact? Not a call to be an Ostrich, but about prioritised thought, discussion and the actions that must follow decisions in impactable zones.

- Are there any external terrain shifts, globe-level forces, you've listed on your PESTLE analysis butcher's paper time and time again (and they're real), but you're not actively doing anything about it... because you can't, or because there's just other more important stuff to work on?
- If the trend in that macro area continues, just what is the risk: reward relationship when it comes to changing your current trajectory (or is it just "there" stuff you can put aside without too much impact?)
- What's just going to happen, and it's big, but it's not for your minds, hands and energies to spend time on? (And so, by turning your head, you spend time and effort on things you can change).

10. ROI horizons (reassessing the short vs long term)

When do you need the payoff? Sure, "yesterday!". Try again. The immediacy of your investment return requirements carries a price, comes with a reality pill, and should be in the service of helping you continue to invest in, or deliver, something bigger, and farther out. So what are your genuine return requirement horizons looking like?

- Can you forgo the current year's paydirt buffer, even come up slightly lean, if it means financially progressing a solid, steady plan of confidence to deliver a bigger upside 2, 3, 4 years from now?
- Is there a need to crystallise some smaller, more immediate wins as an acid test of something you're mooting for a longer term (but need the sandbox proof to show you it's got genuine potential?)
- What does the balance of returns on 3 horizons look like when you string your project launches, landings and hold-at-altitudes along a chronology line? Is it the balance that best fits what you're striving for, today, tomorrow, and in legacy land (as well as the predicted weather patterns along that time horizon)?

11. People and the value of meaningful employ

The opposite vantage points here – "people are a means to help us achieve something", and "the work we're doing is to give meaning to the people doing it". Without going full public service jobs-for-all-for-life on you, as you consider modern mechanisms of efficiency (technology gains, automating labour, productivity hacks), AND you then consider the investments your organisation makes on corporate social responsibility, Wellbeing, staff retention & satisfaction et al, pause a mo & consider two birds thinking.

- Could you give one, two, three more people real, genuine, meaningful work (ergo support their families and community), rather than implementing that machine-powered efficiency mechanism for a richer cash pot, and not lose too much ground?

- Are there ways you might more organically structure, organize and deploy people that (while less linear or streamlined on a planogram) will enrich, educate, deepen connections and bolster the worth (and loyalty) of the team?
- What messaging.... No, what acts, will clearly impress upon all wearing your brand that this is an enterprise about something beyond profits? That the profits are but a mechanism to do something that their grandchildren will be proud of in a century?

12. Options versus “The One”

Walmart and Amazon are options businesses (“What are you after? We can help you regardless!”). Ben and Jerry’s are “The One” (even if the one comes in 60 versions). You want soup or tyres? No, just got ice cream. Maybe your business has been a scaled-down version of Walmart, a suite or shopful of offerings that expanded over time to encircle the customer’s many needs. Maybe you’ve pared back, or held firm, on a singular (or limited) core product or service offering, playing to your big strength. Width versus depth. Horizontal versus vertical. Maybe your services are about giving clients a suite of tiered alternatives... or maybe, like a Madison Avenue pitch, your power and value comes from recommending “the one”. What’s going to be the better play for you, in your space, with your lorry, in the years ahead... choice, or binary value propositions?

- If you’re a range offerings business, is there scope for, or merit in, honing the customer’s focus to a singular, preferred point? One that takes all the ambiguity and complexity and stress out of their decisions, and says “this is the one that will give you what you need”?
- If you’re a one-trick pony business (though no doubt it’s a very neat, value-providing pony), will your market continue to value that deep, laser focus in increasing quantum in the years ahead (mindful the range offering providers are invariably sticking their fingers into this cake tin)?
- Whichever play you feel works better for you, be it niche specialist or broad generalist, are you borrowing some of the smarts of your opposite and overlaying them for balance? Expanding the colour range of “the one”, or adding smart tailored tech tips on shelf talkers for “the many”?

13. Hypertailoring versus Ubiquity.

Do they want, do they *value*, crazy-arse levels of bespoke-ness in the product or service you’re readying to peddle into 2020+? Or is a generic mass produced off-the-shelf version just fine for their needs? In a world where Facebook ads pop up in your feed eerily custom-designed for you, for shoes you can build in your size, your preferred material, your colour scheme, with your matching sock patterns and lace combo (and have them at your door in a few days), will “it comes in black or white” suffice? Or are you overbaking the cake, diluting your value and engagement mechanism by trying to create umpteen versions (because each human is soooo special to you) when really, all they want is “the regular version”. Just because you can

tweak it doesn't necessarily mean you should. And just because 85% of your 2015 sales came from the size 10 beige version doesn't mean that'll remain your cash cow ('cause choice is now ubiquitous).

- Are the tea leaves pointing to your core customer group wanting expanded, make-it-for-my-unique-self choice options when it comes to your wares? What are the implications then when your machinery is about punching out 85% of your stock as stock-standard?
- Have you been playing with special builds, custom colours, tailored fitting and framing services to delight each and every customer in a different way... but it's looking like the mass, the cash and the need satisfying can happily cluster around a single, or restricted range of templatable options?
- Which do you... can you, do better, delivering value, sustainably?



Every leader, in umpteen dimensions, sits on one end of the see saw each day. To stand too long on the fulcrum is to sit on the fence and not choose. To avoid a trip to the balance point every so often is to deny yourself views beyond that which you hold every day (and that'll just kill ya).

The answers won't all be obvious (if they are, chances are your bias is getting in the way, or you're onto such a smart line of thought that others won't be far behind). The opportunity is in the difficulty of making the best decision. Smart heads, decent analysis, broad inputs, bias recognition, scenario contemplation and stretching your vision as far out as you can (the blips on the horizon... can you see an inkling of their shape?)... all decent approaches the smart strategic leader can take into '19.

All in the quest to fulfill your purpose.

If you need help, **it's what we do.**

Thanks for reading, and mind your footing on the fulcrum.

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(*It just sounds better in Italian...)



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(The professional friend you want in '19...)

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