

Idea Briefing - STRATEGY

Knowledge is a process of piling up facts; wisdom lies in their simplification. - Martin H. Fischer

DIDA data ➡ information ➡ decision ➡ action

Overview

In the current environment, we all crave growth of the economy and our businesses. Premier companies such as GE and Procter & Gamble have identified some common traits to grow 3 times faster than the rate of GDP:

- ✓ External focus
- ✓ Decisiveness
- ✓ Inclusiveness
- ✓ Risk taking
- ✓ Domain expertise

How do they achieve this growth? Through **people, infrastructure, capital and culture** (a mind set for growth and macro-management with controls).

Also, we constantly hear dire predictions for the Manufacturing Sector, keep in mind that the sector is critical to the U.S economy.

- If the sector were a nation, it would be the **8th largest** economy in the world
- Makes the **highest contribution to economic growth** of any sector
- Responsible for more than **70 percent of private sector research and development** and the center for a wide range of advanced technologies that cut energy use and lead to a cleaner environment
- Achieves a **high productivity rate year in and year out**, increasing by more than 50 percent in the past decade (except for brief declines during the 1991-1992 & 2000-2001 recessions, real value-added output has risen every year since 1987)
- Contributes more than **60 percent of U.S. exports** or about \$50 billion a month
- Pays **wages and benefits that are about 25 percent higher** than in non-manufacturing jobs
- **Multiplies every dollar spent into an additional \$1.37** in economic activity, greater than other sectors

Strategy

Now to the subject of the Briefing. Your strategy provides a blueprint, a broad opportunity plan for your company. It points the way to the future and conveys a sense of direction for building the competencies needed to dominate future markets and delivering totally unexpected benefits to customers. Your strategy also makes trade-offs, forges fit among activities, and describes performing activities differently or performing different activities than rivals.

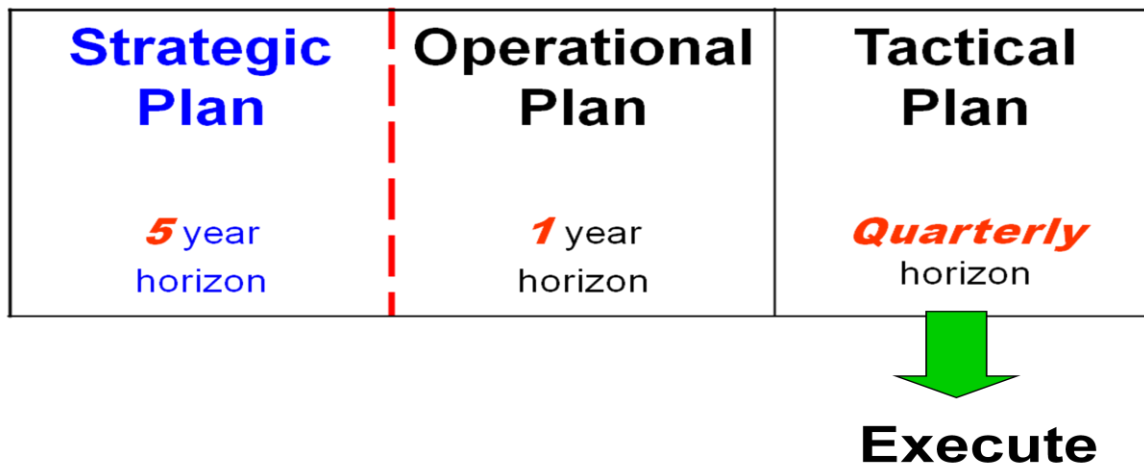
One of the more interesting strategy implementers is the U.S. Marine Corps, and their guiding principle - The 70% Solution. If you have 70% of the information, have done 70% of the analysis, and feel 70% confident, then move. The logic: **A less-than-ideal action, swiftly executed, stands a chance of success; whereas no action stands no chance.**

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An interesting new concept is to employ the Blue Ocean Strategy, described by INSEAD Professors W. Chan Kim and Renée Mauborgne in their book Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant. Some of their more interesting suggestions are:

- Create an uncontested market place
- Make the competition irrelevant
- Create and capture new demand
- Beat the value/cost trade off
- Align the whole system of a company's activities in pursuit of differentiation and low cost

But a strategic plan alone is not the answer, planning is a process with several steps.



Contact us for assistance in your strategy process or executing the plan.

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