

# What is Strategy?

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Strategy is about the long-term direction of the company.

“Strategy is the direction and scope of an organisation over the long term; which achieves advantage for the organisation through its configuration of resources within a changing environment, to meet the needs of markets and to fulfil stakeholder expectations.” *Johnson & Scholes 1999.*

It is the way a business can get from where it is today, to where it wants to be tomorrow.

## Why do we need a Strategy?

“Action without vision is a nightmare; vision without action is just a daydream;”

Owners, Directors and Managers need to have an idea of where they want the business to be in the future, and how they are going to get there. The only certainty is that the future of the business will be different from the past.

## Corporate vs. Business Strategy

Corporate strategy looks at the overall purpose and scope of an organisation to meet the expectations of the owners or major stakeholders.

Business strategy looks at how a business can compete successfully in a particular market.

## Staying Successful – Sustainable Competitive Advantage

For a business to remain ahead of its competitors it needs to have a competitive advantage - something that makes it:

- better (for customers, employees and the business);
- cheaper;
- faster.

Circumstances change, success breeds imitators, and competitors aim to beat us at our own game. To remain successful we need to maintain our edge. We need a ***sustainable competitive advantage.***

# What is Strategy?

## The Two Alternative Approaches to Creating a Business Strategy

There are two main approaches to developing strategy:

- Vision, and,
- Core Competences.

### *Vision*

The business creates a compelling vision of where it wants to be in the future, and then works out how to get there.

### *Core Competences:*

The business understands what it is really good at, then builds on this to create new opportunities.

A business strategy needs to guide the business to its future state, while remaining flexible enough to respond to any changes in the environment.

Nicholson Consultancy uses a combination of both approaches. We consider the organisation's values and beliefs, its resources and competences, and its long-term objectives. Using a rigorous step-by-step approach, we consider the available options, then choose those that create the best future for the business and its stakeholders.

## Developing the Strategy – the Strategic Planning process

To create the strategy we undertake a three-step approach:

1. Analysis
2. Choice
3. Implementation

<b>Analysis</b>	Internal Environment External Environment
<b>Choice</b>	The Ten Strategic Directions
<b>Implementation</b>	Execution – Making it Happen

By following this approach, you will have a practical, achievable plan to take you and your company forward, with clear personal action plans, so that you and your colleagues understand where you're going and how you're going to get there.