

# # DOGMAS FOR MAKING *strategy* WORK

Strategy by Design





Jørgen Leth and the thoughts behind the dogma rules



# Strategy by Design

Let's start with data. Only 33% of all strategic initiatives are successfully implemented. Merely 14% of all employees consider themselves fully engaged in their job. These miserable findings have proven overwhelmingly consistent over time.

We believe that there is a huge untapped potential for organisations across the globe. And we believe that some of the potential could be unleashed by rethinking the way organisations strategise.

**It's time for taking a new approach to making strategy work.** It's time for creating better choices, higher engagement and greater impact.

## **Obstruct conventional thinking to reimagine strategy**

Let's be clear. We haven't found the conclusive formula for how to do strategy. But based on decades of hands-on experience and from collaborating closely with global thought leaders we have learnt a few things. Things that might inspire new ways of strategising in a business world where the needs for speed, agility and passion seem ubiquitous.

To find an approach for making better strategies, we have been inspired by the Danish film-maker Jørgen Leth, who inspired the dogma manifesto for better film-making. The dogma rules were simple, yet radical obstructions to conventional thinking. And when they were put into practice, they unleashed a wave of groundbreaking landmark films.

We have adopted the idea of proposing a set of dogmas – and will share our dogmas for making better strategies on a continuous basis. They are intended to stimulate thinking about how to strategise in new ways that are more fit for humans and fit for the future.

We have kept them simple. We base them on our everyday work with companies, and we have seen them work. And we hope that they will inspire and improve your strategic work – and ultimately your business results.

# #1



# Don't plan for the future - *design it*

Strategy is about the future. Great choices cannot be made by extrapolating the past or merely optimising the present. Your strategy must fundamentally question your current position and business model by exploring alternative futures. If you do not dare to think the extraordinary, you will never create it.

**Real strategy is innovation.**

## Dogma core ideas

Research shows that 80% of your company's success is driven by internal factors. In other words, your company will succeed, not because of external factors, but because of what you choose to do. Period. The industry is not your destiny. You are.

In many companies, the strategy process turns into a dreadful number-crunching exercise and a ritualised planning process. We call it corporate theatre.

Surely, great data analysis and planning skills are needed. But in essence, strategy is about making clear-cut choices for the future, enabling you to win customers against competition. That is why we must think about strategy as a highly creative design and innovation process.

We believe that the creative work is severely overlooked in most strategic processes. That is why most companies get disrupted by smart competitors – and not their own strategic thinking.

Typically, companies excel at analysis because it feels scientific with all the numbers and data-driven conclusions. But analysis and data are worthless without the ability to design truly innovative and creative strategic choices that will help your company win customers over competition.

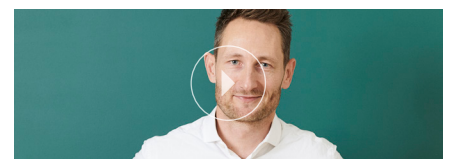
**It is time to get outside the comfort zone.** Step into thinking about what might be. Say yes to exploring alternative futures. If you cannot think it, you will never create it. Get creative for real.

## Dogma perspectives

We asked a few of our colleagues for their perspectives on not planning for the future, but designing it – here is what they said.



**Stig Albertsen**



**Niklas Leifelt**

## Dogma key questions

- Do we get truly inspired by new and surprising insights enabling us to think the unthinkable? Or do we end up in data overload and paralysis by analysis?
- Do we emphasise creativity and innovative thinking when making strategic choices for the future? Or do we spend most of the time doing analyses of the past?
- Do we deliberately explore and prototype multiple strategic options to make them come alive? Or do we jump to conclusions without really having explored alternative futures?
- Do we build an atmosphere where all strategic ideas are welcomed, appreciated and explored? Or is creativity effectively killed by lack of trust and powerplays among stakeholders?

# #2

## Involve everyone from *day one*

Real strategic change happens only when employees feel motivated and truly engaged. And the most powerful way of building engagement is by inviting everyone in from day one in the process of designing the strategy. Also, too much strategy work results in missing out on what the organisation already knows and is capable of. So, bring key stakeholders, bright thinkers and impatient rule-breakers together. Co-create to shape future strategic options.

**Real strategy builds a burning desire for change.**

### Dogma core ideas

We know for a fact that only 15% of employees worldwide are engaged at work. The estimated loss in productivity is approximately \$7 trillion. Worried? You should be. We know it is hard work to build engagement and motivation. But it is doable. Theory says that two fundamentals must be in place. Firstly, employees must feel that what they do is important and meaningful. Secondly, employees must feel confident and competent to carry out their work. Voila! Engagement delivered.

Now let's look at strategy. Strategy is about making big choices about the future. And big choices typically lead to substantial changes. Traditionally, strategy is made by a few senior executives and rolled out top-down.

At the grand launch, a picture of a burning platform is painted, and the employees are told that they have to work in entirely new ways to stay on par with competition.

See the problem? It is so evident, right? Our traditional textbook approach to making the most significant decisions for our organisations is brutally violating the most basic drivers of engagement. Strategy is not meaningful to most employees as they were not involved in making the choices. Strategy makes employees feel incompetent as we tend to point out all the things that have to change. It is no surprise that employees are actively disengaged.

Sometimes when the going gets tough or big deals are in the making, secretive strategy-making might be the only feasible approach. We acknowledge that. But in our experience, 90% of all strategy processes are well-suited for reaping the benefits of building tremendous momentum for change while we are making the strategy. Not after big decisions have been made.

**Time has come for tearing down the ivory tower of strategy development.**

You must involve everyone from day one. The payback of involving the organisation at scale will be a deep inner feeling of importance among those employees you involved and listened to. Moreover, building on the best of what is and what the organisation is confident in doing is the perfect

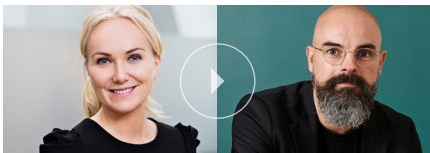


platform for igniting a burning desire for change.

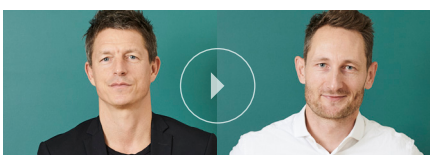
Co-creation at scale is the only truly feasible approach to making strategy work.

### Dogma perspectives

We asked a few of our colleagues for their perspectives on not planning for the future, but designing it – here is what they said.



**Malene Brinkland Hansen and René Bach Lundgaard**



**Stig Albertsen and Niklas Leifelt**

### Dogma key questions

- Do we plan for broad and early involvement across the organisation in making the strategy? Or do we end up in the strategy ivory tower with little or no active participation of the organisation?
- Do we involve employees in a truly open and appreciative way to get inspired? Or do we expect our own ideas to be superior to whatever comes out of the involvement by default?
- Do we bring together the employees that have unconventional ideas and conflicting views on the future? Or do we handpick the ones who tend to confirm what we already know?
- Do we build a desire for strategic change from day one and bring strategy to live bottom-up? Or do we wait too long inside the strategy ivory tower and push out the strategy top-down?

# #3





# Take a *scientific* approach

Strategy is about making choices. Great choices can only be made if the underlying reasoning is rock solid. That is why we must bring science into the art of strategy. To increase the odds of success, you must work like a scientist by identifying and validating the most critical assumptions that need to hold true for your strategy to work. Do it systematically through carefully designed fact-based tests.

**Real strategy is based on validated assumptions.**

## Dogma core ideas

81% of executives believe that data should be at the heart of all decision-making. We agree and firmly believe that you should take a data-driven approach to strategy. However, according to our experience, the traditional approach is broken. It is fundamentally unscientific.

Most strategies are developed by crunching numbers and studying strengths, weaknesses, opportunities and threats. Based on the findings and intense discussions, vision and goals are determined, and conclusions about the best strategy are made. It seems like a great approach, and it has been taught at business schools for decades.

But if we think about it, there is a major issue. From a methodological point of view, the approach is flawed and does not adhere to the most basic principles of the scientific method.

The upfront analysis will surely help shape a strategy – a hypothesis about the future. But the up-front analysis does not prove that the suggested strategy is a good choice. To prove the strategy, you must test it like a scientist. In other words, once you have designed a potential strategy, you must ask the fundamental question:

“What would have to be true for this to be the right strategy?”

This question will enable you to identify the underlying assumptions which must hold true. It is crucial that key decision-makers are involved in the process. Together, you will be able to agree on the most uncertain and important assumptions. Those assumptions must be tested and proven in a systematic manner. Only then can you claim that data have been put at the heart of decision-making.

**Design future strategies and test them like a scientist** to create a sound basis for decision and increase the odds of success.

## Dogma perspectives

The world's top management thinker Roger Martin advocates for the use of assumptions and solid fact-based testing.



Roger Martin

[Go to Roger Martin's HBR article](#) where you can gain deeper insights and inspiration on how to use the scientific approach when working with strategy.

## Dogma key questions

- Do we ask the question “What would have to be true?” before deciding and prioritising our analytical resources to answer the most critical assumptions?
- Do we involve all decision-makers in asking the question “What would have to be true?”?
- Do we use data and testing to verify what we already know or to learn, understand and deepen our strategic choice?

# #4

## Never stop

A strategy process is almost always timebound. But strategic choice-making is not. One of the most important objectives of a strategy process is to enable the organisation to continuously sense opportunities and make great choices.

**Real strategy is everyday work and not an event.**

### Dogma core ideas

In a world that is often characterised as volatile, uncertain, complex and ambiguous, it may seem as a foolish task to spend time on strategies and plans. Thus, when faced with exponential technologies with accelerating returns, it is tempting to listen to clichés about “strategy being dead” or that “culture eats strategy for breakfast.” Let’s stop strategising.

However, this is not the best course of action. In fact, it has never been more important to have a strategy in place with clear choices to provide context and guidance for decisions being made in every part of your company.

As an example, one survey found that 56% of executives experience a challenge in aligning day-to-day decisions with the overall strategy. In addition, the same survey showed that 64% of

executives believe that their company has too many conflicting priorities.

**The answer, therefore, is not to abandon strategy all together, but to change how it is done.**

We must move away from thinking of strategy as a singular event or a static document. Strategy is an ongoing process of making decisions, learning from them and adapting our actions to what we learn when the future unfolds. Strategy must become both deliberate and emergent at the same time.

This is no easy challenge as another survey shows that only 12% of companies say that they engage in strategic decision-making more than once a year. To succeed, you must build a strong capability for strategising across the organisation.



You must ensure that leaders and employees are able to quickly sense new opportunities and challenges, explore strategic options to reach agreement on the appropriate course of action and move the necessary resources around to implement the decisions.

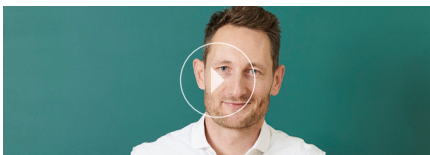
Real strategy is everyday work and not an event.

### Dogma perspectives

We asked a few of our colleagues for their perspectives on never stopping – here's what they said.



**Stig Albertsen**



**Niklas Leifelt**

### Dogma key questions

- Do we see strategy as a stand-alone process for the senior managers? Or do we make strategic decisions a part of everyone's job at all levels of our organisation?
- Do we have the ability to quickly move resources to new strategic initiatives? Or do we become locked into fixed positions once a decision has been made?
- Do we design short, focused campaigns with clear goals and benefits? Or do we plan large multi-year programmes with a vague idea of a big bang impact at the end of the journey?
- Do we pick up and act on new trends and market changes as they happen? Or do we find out when our competitors launch new business models, products and services?

# #5

## Always *prototype*

Turn strategic ideas and options into tangible prototypes and hands-on pictures of the future. Do it as fast as possible. Do it together. In that way, you will reap the benefits of co-creating the future with the people who will live it – and you will enable fast learning from customers and stakeholders. Fail fast to succeed sooner.

**Real strategy is what makes possible futures feel alive.**

### Dogma core ideas

Agile developers get pushed to “release early and often.” Entrepreneurs are told to “demo or die.” Designers learn to “show, not tell.” Strategists compile bulky reports and deliver bulletproof 10-year plans. Or at least they used to.

The common denominator across the different practices is about becoming tangible and making ideas real. Software developers emphasise the importance of early and frequent releases because they have learnt that a tight feedback loop between coders and users will help eliminate the risk of creating software that no one will use. Lean start-up guru Steve Blank provocatively tells entrepreneurs that “there are no facts inside the building so get the heck outside” to get fast feedback on new business ideas from customers

and stakeholders. Making fast prototypes and tangible mock-ups is second nature to product designers because they know that multiple iterations and user interactions are required before nailing the perfect fit between user needs and design solutions.

Strategy is a young field of expertise. And the time has come for strategy to grow up and learn from other professions. Reports and plans are sometimes needed. But prototyping will help you craft better strategies to master the art of creating and making strategic choices.

Firstly, prototyping will help you explore creative ideas and investigate multiple strategic options in parallel. Applying a “building to think” mindset across the early stages of strategy will fuel



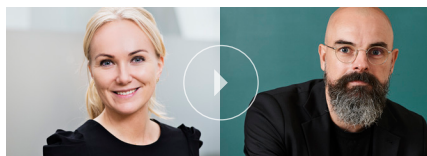
creativity. Secondly, prototyping serves as an important method to validate and learn about key uncertainties and critical assumptions. Thirdly, co-creating vivid pictures of possible futures and tangible prototypes will increase shared understanding and deliver higher engagement across the organisation.

Strategy is not about perfection but rather about making choices that will shorten the odds of success. And the best way to improve the odds is to test drive the strategic options as quickly as possible. Mistakes made early in the strategy process are very cheap, while they can be devastatingly costly at a later stage if the wrong strategy is implemented.

Invest a little in prototyping to learn a lot - and to make possible futures feel alive.

### Dogma perspectives

We asked a few of our colleagues for their perspectives on not planning for the future, but designing it – here is what they said.



**Malene Brinkland Hansen and René Bach Lundgaard**

### Dogma key questions

- Do we turn strategic options into tangible prototypes early and often in the strategy process? Or are we stuck in endless discussions among talking heads based on wordy documents and reports?
- Do we deliberately use and master various prototyping techniques to quickly learn about critical assumptions? Or do we tend to rely too much on classic analysis methods?
- Do we leverage prototyping for co-creating shared pictures of possible futures across the organisation? Or do we tell the organisation to go and execute work based on heavy slide decks?

# #6

## Follow the *energy*

The biggest disrupter in business today is energy. Energy within your company, and energy delivered to your customers. In most industries, there is an oversupply of great products and services, making your offering merely a hygiene factor. Amazing products are a given. Consequently, your strategy must move beyond product-centricity and offer true and emotionally relevant energy to customers.

**Real strategy builds a burning desire and delivers energy.**

### Dogma core ideas

It is estimated that an inspired employee is 125% more productive than an average employee. While companies with averagely satisfied employees often experience organisational drag and growing complexity, companies that explicitly focus on designing great, relevant and inspiring jobs and are driven by a compelling purpose outperform the competition. Always.

Obviously, the consequence of this is to make sure that the strategic choices we make and the jobs we design always allow employees to shine and excel. If a lawyer's job is designed in an inspiring, relevant and purposeful way, they will be 125% more productive. If a shop assistant is deeply committed to the overall purpose of the company,

they will deliver 125% more energy to customers. And so on.

Imagine your strategy process starting out with a discussion about how the jobs of front-line employees should be designed to ensure the highest possible level of inspiration and motivation. This is step one. It sounds like common sense, but the point is that most companies see inspiration as a consequence of a great strategy, instead of seeing it the other way around. Therefore, building energy and motivation tends to be an afterthought, typically fixed with irrelevant and humiliating KPIs anchored in bureaucratic performance management systems.

Step two involves taking a closer look at things that you have to stop doing.



Things that drag your company down and burn energy rather than adding to it. It could be an old and ridiculous upselling habit, targeting a customer segment that every employee struggles with or getting rid of endless internal co-ordination meetings. **Kill complexity. Burst the bureaucracy bubble.**

When you have decided on what to stop doing, it is time to start doing something meaningful. Find your heroes. The ones for whom work is not just a job. The hungry and inspired ones. These are your business bets. Help everyone learn from them – and bet your company on them. They will build and deliver an unrivalled competitive advantage through the energy they represent and transfer to customers.

Real strategy focusses on building energy from day one and following through all the way to customers.

### Dogma perspectives

World-famous management thinker Daniel Pink is a firm believer of the power of having a clear purpose.

Recently, Daniel visited Implement Consulting Group at our Thought Leaders event:



**Daniel Pink**

### Dogma key questions

- Do we learn from the employees who truly deliver energy to customers and other employees? Or do we see a lack of employee engagement as a HR issue?
- Do we deliberately design strategy to build energy and a shared sense of purpose? Or do we treat energy as an afterthought to strategy?
- Do we track behaviour and energy levels with the same precision and effort as we currently do when measuring financial performances? Or are we stuck in old-fashioned measurement systems?

# #7

## Let *empathy* rule

Good strategy starts and ends with the customer. You must deeply understand the customers you serve. Bring customers in to get feedback and co-create your future strategy. Or even better, get out there with customers in the real world to uncover the unmet needs that they are not able to articulate themselves. Seeing and experiencing the world as your customers requires empathy.

**Real strategy puts customers first.**

### Dogma core ideas

As companies grow, so does the confusion about who to serve. While some companies become trapped in serving the inner logic of organisational bureaucracy, other companies design strategy to maximise shareholder wealth. **Both logics are flawed.** Evidence suggests that neither serving the system nor the shareholders are strong predictors of long-term success. The only valid purpose of a business is to create and keep customers. And if you do that well, value will flow.

Henry Ford famously said that if he had asked people what they wanted, they would have said faster horses. He was most likely right. Experience shows that customers are rarely capable of expressing their wants and needs in a

precise and articulate way. That is why we need a better approach. To understand deep-seated needs, we need to empathise with customers.

Gaining empathy with customers in strategy work has two major implications. Firstly, you must start by becoming aware of your own preconceived ideas and setting aside your own assumptions. If you are not self-aware, you will never manage to empathise. Secondly, you must walk a mile in your customers' shoes to understand their world. This means getting close to what your customers see, hear, think and feel – and making sense of it.

What jobs are customers trying to get done? What frustrates them about current solutions in the market?





What delights them when getting the job done? Listening, observing and asking curious questions will help you get closer to the answer. And by truly understanding customers, we will be able to uncover unmet needs and build actionable insights about distinct customer segments.

While understanding customer needs builds a strong foundation for generating better strategic options, putting customers first should be a pervasive mindset across all phases of strategy design. Staged in the right manner, involving customers in co-creating options will pay off. Unleash creativity with the customer in a systematic manner. And when options have been designed and fast prototypes have been crafted, it is time to get out of the office to get feedback. It is unlikely that a strategic option will survive the first contact with a customer. That is why you must make sure to design the strategy process in a way so that

customer feedback is captured, leveraged and integrated systematically in the choice-making process.

Conventional strategy work puts a premium on analysis of big data. But if you challenge conventions and design strategy based on thick data about customer needs, you will improve your ability to make great strategic choices.

### Dogma perspectives

Top management thinker Clayton Christensen expertly advises on the value of gaining empathy for customers in this video about milkshakes:



Clayton Christensen

### Dogma key questions

- Do we focus on maximising short-term shareholder value? Or do we focus on long-term customer value creation and satisfaction?
- Do we design strategy based on assumptions about what customers really want? Or do we build deep insights to uncover unmet needs and differences across segments?
- Do we develop strategic options without inviting customers in? Or do we get out of the building to gain feedback from real customers on strategy prototypes?

# #8

## Be obsessed with people, *not* numbers

Old-school strategists are obsessed with numbers. Especially in the shape of long-term financial goals. And obviously, financial goals must be discussed and agreed on. But new-school strategists know instinctively that financial goals do not drive change – people, who change behaviour and work in new ways, do. This is why strategists need to be obsessed with understanding the specific behaviour that will drive real change.

**Real strategy catalyses behavioural change.**

### **Dogma core ideas**

“You get what you measure.” This is one of the most dangerous ideas in strategy. Most executives and strategists work hard to define long-term goals, break down goals into key performance indicators and align incentive systems to strategy. But despite extensive efforts, data show that most strategies still fail to deliver.

In some cases, measuring and incentivising new ways of working does work, but in other cases, it doesn't. Behavioural science teaches us to distinguish between two ways of driving motivation.

The key is to understand which types of motivation really work in which situations.

“Extrinsic motivation” is driven by external forces such as incentives, money or measurements. Extrinsic motivation is excellent for routine tasks and performing simple processes that don't demand too much creative thinking. Set long-term goals, measure progress and reward success.

“Intrinsic motivation” comes from personal fulfilment, accomplishing challenging tasks and working on



something that is deeply meaningful. Intrinsic motivation is critical when the path to success is challenging and high levels of creativity are needed to succeed. Create mutual trust, build shared purpose and encourage creativity.

The trouble is that succeeding with most aspects of your strategy will require transformational change and consequently, lots of intrinsic motivation. This is why setting financial goals and aligning incentives with financial goals will not be particularly helpful when it comes to building momentum for strategic change. In strategy, you don't get what you measure. **In strategy, you get what makes sense.**

A far better approach to goal-setting and measurement in strategy recognises that we must always accompany clearly defined financial goals by discussions about the behavioural changes needed to achieve the goals. What must we stop doing? What must change? What must we start doing? And how can we help each other overcome difficult hurdles on the journey?

In this way, we turn our attention to leading behavioural indicators of change rather than lagging financial indicators of success or failure. And by putting behaviour before financial goals, we need to have deep conversations about how to fuel intrinsic motivation to build energy, capabilities and passion for change.

Don't set simple goals and rely on rewards to make magic happen.

### Dogma perspectives

Learn about the surprising truths about motivation from [Daniel Pink](#), one of the world's leading thinkers on business and behaviour:



**Daniel Pink**

### Dogma key questions

- Do we rely solely on the idea that “you get what you measure”? Or do we have a deep understanding of what builds motivation in different situations?
- Do we spend too much time setting long-term financial goals and discussing KPIs? Or do we work together to define the specific behaviour needed to succeed?
- Do we rely on simplistic carrot and stick rewards for making strategy work? Or do we focus on making strategy meaningful on the individual level to ignite a passion for change?

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