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4 CONTEXTUAL FACTORS IN STRATEGY CREATION

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A great business strategy doesn't grow in laboratories where everything is sanitized and made in specs. It is a product of the best assumptions and theories about the environment and their business that current management needs to define and delineate for the future for their organization. The context is critical because it shapes the " how" and the "what" of the process.

Pressures and factors inside and outside of the organization to conform to certain trends, standards, and expectations about the creation of a feasible business strategy can significantly undermine the very purpose and outcomes you are trying to create. A failed business strategy process is something that can affect the credibility, trust factor, and leadership standing of a business in their industry, much more fail in the eyes of its important stakeholders.

1. THE STRATEGY COMES FROM AN BOILER PLATE

   In any industry, it is always good to look at what others are doing, where they want to trailblaze next, and what analysis and intelligence they have used for their next direction. It is also fine and encouraged to be more market-oriented, looking at studies and insights by top analysts to determine where your organization can pivot next.

   It is dangerous to copy another business' strategy because there are no two businesses alike. Even in the same niche and have the same products, early trajectories, initial successes, and failures marked the succeeding steps that a business can take. Without a full understanding of the contexts of alternatives, risks, and opportunities faced by another business, there is no gain in using the same metrics for your next move.

   Some organizations, whether for-profit and not-for-profit, suffer from off-the-shelf methods, formula, and tactics. Instead of building the capacity to think strategic, which is a firm-wide capacity-building venture, most organizations rely on data to point them in the right way. While data helps enormously, interpretation is still a subjective process and should be given the proper attention and investment it deserves. Henry Ford once said: "if I had listened to customers, I would have gone out looking for faster horses." Consumer data will get you in a bind if you are not careful with subjecting the data to strategic tests.

   Mere copying produces copycats, but distilling best practices produces leaders.
   Maple Foods' strategy is to be the "*Best Protein Company in the World"* may not be the best direction for the second-best industry player or other players in that department. Also, these kinds of strategic statements embroil the company to be *best* without regard to the types of

investments, prowess, and transformative abilities this require to move and even maintain that kind of leadership. I would be more interested to learn how pragmatically they have transformed themselves, what challenges they faced, and where this is going to take them far beyond their gut reaction about their initial success.

2. THE STRATEGY IS REGARDED AS PANACEA TO PROBLEMS

If your organization is mired with many internal issues and problems, a strategic direction can make illumine some of the unenlightened areas of the organization, but this is not a panacea for the problems. Downsizing is a short-term palliative solution but not something that should be part of the DNA of the company. This holds true with Mergers and acquisitions (M&A), which have a failure rate of 70% to 90% (HBR, 2015).

M& As are specific tactics to expand and increase shareholder value and increase the leverage of their assets and competencies, but it is not an autopilot response to economic downturns or scaling-up. Mergers and acquisitions cannot hide the apparent problems in leadership, management, culture, and values; they surface them and heighten their impacts on the process of acquiring and merging with other enterprises.

Strategies for the future is best left to envisioning a new dispensation, not from the place of solving your current problems. Doing the latter will create a condition of 'going in circles' but never arriving in a focused destination. This is easier said than done, but the true discipline lies in extricating oneself from the tyranny of everyday issues to come up with solid ideas for future consideration (Drucker).

3. THE STRATEGY IS REQUIRED BY THE EXTERNAL ACTORS

There is more to be said about strategies that are part of the requirements for receiving grants, donor funds, government partnerships, reporting compliance, etc. They have a way that makes organizations cringe at the next strategy development process where the previous process received not-so-good feedback from stakeholders. It also implies that a lot of organizations go through the motions without putting much effort, attention, and brainpower on what makes this new strategy different from the previous ones. To accomplish this with one-eye closed makes no sense in a climate where complacency is not regarded well by the customers, shareholders, and the public at large.

When talking about high-level strategies as requirements for 'something,' organizations are pressured to come up with the best idea within the time frame set. The pressure, panic, and the compliance mentality force organizations to render outputs that are passable but nowhere near excellent and inspirational.

Stakeholders are not just looking at the fine print. They are concerned with the processes involved in making great strategies and would want to be engaged at the most practical level possible. Making shortcuts or rehashing past work is considered lame even if there is a compelling justification for it.

4. THE STRATEGY DEFENDS THE STATUS QUO

   For some organizations putting off any significant shifts from the last strategy is the best strategy to showcase the continuity and the need for stability. This strategy can backfire.

   These same reasons can be used as excuses to generate commitment but not excitement. Defending the status quo is a good strategy if you are a leader in your market, with a leading product/service, with a superior handle on technology and have the heft to invest in future-oriented projects. But these things fade too. GE is nowhere near its past glory since Welch left the organization. Start-ups within the first five years fail all the time due to the incapacity to bring their business to the next level in spite and despite many challenges to overcome.

   The senior management team and the Board or Advisors usually justify this practice in these ways. First, they have not felt that the 'needle has not moved' or moved very slowly. Second, the full degree of change-making has not been fully effected. Thus, they are beginning to mature as an organization in the light of recent changes and introducing new /complementary future is premature. And lastly, the resources, time, and energies to making the new strategy work is very taxing and therefore, they wanted to maximize the full benefits of the recent shifts before they head out to a new direction.

   All these arguments are within reason and should be acknowledged. But these reasons can form as obstacles to take a vigorous, sharp right when the writing on the wall is as obvious as a ham sandwich. There can be a better time to recoup the losses and regroup based on a more solid grounding for the business. This is an investment worth taking and worth spending. Google had to spend enough time on their social media strategy when suddenly Facebook surfaced and dominated the mainstream.

These four issues describe above provides the context where the intention is not good enough. The process of strategy development is a fine balance between understanding correctly your environment and creating wise judgement over what could be your organization's best possible action. Contexts shape and drive the outcome ultimately, no matter what the pundits say about