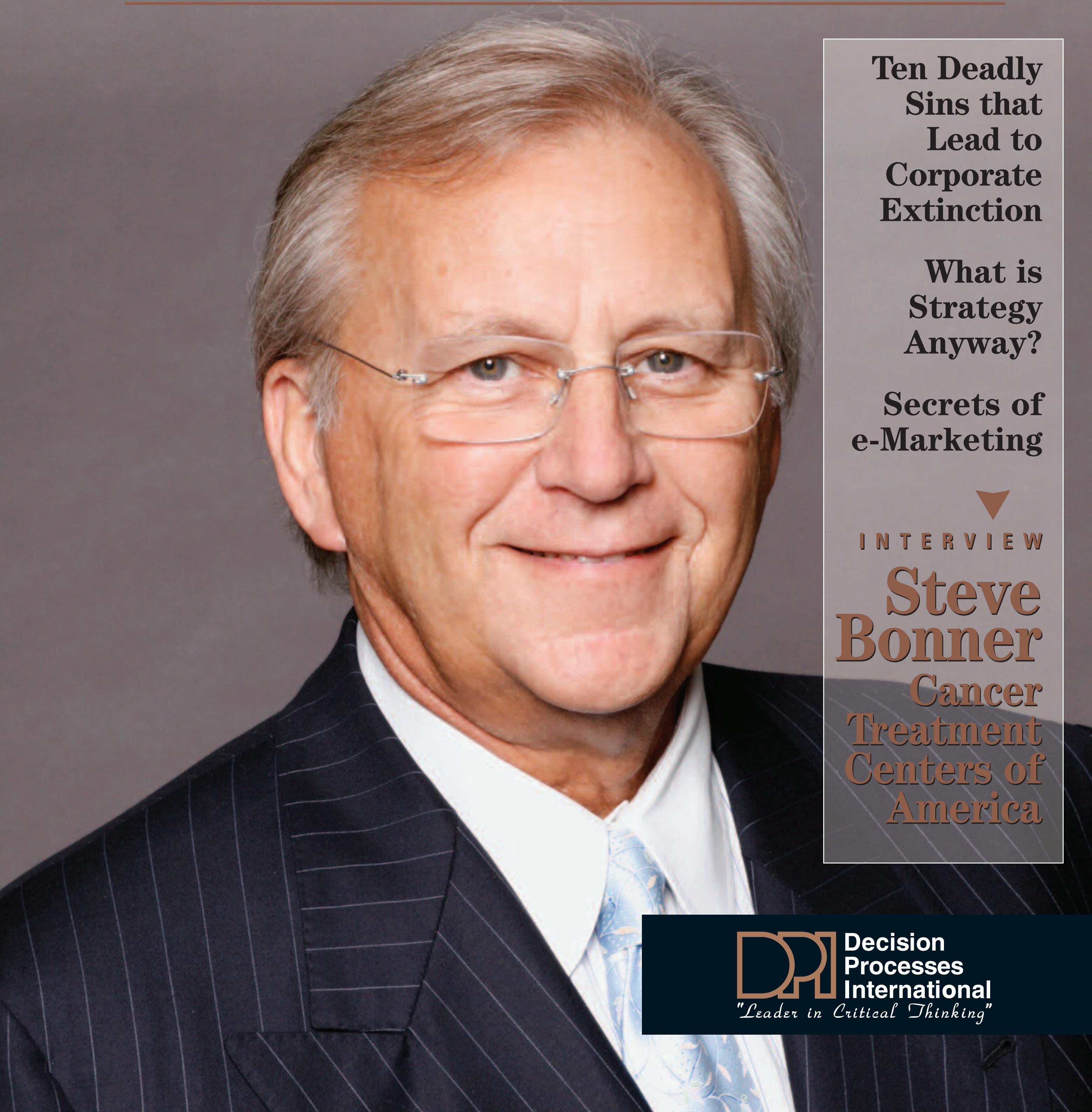
# The Strategist™

THE CEOs GUIDE TO STRATEGIC THINKING VOL.25, NO.1





Decision Processes International
"Leader in Critical Thinking"

"Leader in Critical Thinking"

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is a publication by Decision Processes International,
a worldwide consulting firm and originators of the

# STRATEGIC THINKING PROCESS

## Supremacy, not adequacy, is the goal of a successful strategy.

Does your current business strategy put you so far ahead of your competitors that you look over your shoulder to measure the widening distance between you and them? Or do you find yourself looking from side to side in a day-to-day battle to get ahead today, only to fall behind abetween many opportunities to enhance growth, profits, and shareholder value, or are you simply struggling to find them? Do your managers, board, and shareholders understand, agree with, and support your strategy? Or do you find yourself having to explain it over and over again?

At DPI, we believe that a clearly stated, distinctive strategy will create a steady stream of unique opportunities, enabling you to continuously build value while you force competitors to play *your* game by *your* rules. In other words, the goal of any company's strategy should be *competitive supremacy* — not adequacy!

## Strategic Thinking –The key to supremacy.

DPI's *Strategic Thinking Process* can be the catalyst to position you for supremacy in your industry, as it has for hundreds of winning companies around the world. *Strategic Thinking* will help you to unlock the hidden potential in your business as you discover your company's unique "Driving Force" — the one component of the business that is the "heartbeat" of your enterprise. Understanding that "Driving Force" will help you identify the crucial *strategic capabilities* that must be nurtured to gain insurmountable competitive advantage. *Strategic Thinking* will also enable you to uncover potential "stealth competitors" that could enter your markets, causing unforeseen and possibly disastrous disruption.

DPI's *Strategic Thinking Process* differs dramatically from other management consulting concepts. At DPI we believe that the answers to your company's strategic questions reside in the heads of you, as the CEO, and your key management group. We bring a focused and disciplined approach—a *formal process* — that will enable you to *develop your own, not a consultant's, strategy.* Your management team brings the business knowledge and industry expertise. We bring you the right questions, providing the framework to debate the issues and make the critical strategic decisions yourselves. The results? Agreement and focus on a game-changing strategic direction and total commitment to effective deployment. Discover the power of having *one common* vision for the future of your business.

## Discover the Power of Strategic Thinking.

We invite you to read this issue of *The Strategist* and consider beginning a relationship with DPI in the same way that most of our clients have. Read one of our books or, better still, arrange for a DPI partner to provide a ninety-minute executive overview of our process. Let's explore together how we may help your organization define a strategy that will bring lasting supremacy over your competitors.

Dear Executive:

Welcome to **The Strategist**, a publication which offers you articles by some of today's leading thinkers on the subject of corporate strategy.

DPI's core technology is our Strategic Thinking Process which enables corporate management to create and implement strategy. A common sense approach to strategy, Strategic Thinking is making traditional strategic planning obsolete. This process enables a company's management team to reason out a strategy as a group, assuring thorough understanding, consensus, buy-in, and effective implementation. In the "war rooms" of more than 800 companies throughout the world, global companies such as 3M, FexEx Custom Critical, Caterpillar, Prudential, Lubrizol and Motorola Solutions as well as regional companies such as Rand Merchant Bank, Abacus, SATS, Teckwah, Cancer Treatment Centers of America, as well as over 100 small to medium sized emerging companies—this methodology has been refined and validated by DPI for more than 30 years.

We hope you enjoy this issue of **The Strategist.**

Good reading,

Michel Robert

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# The Strategist™






INTERVIEW

The true test of a business strategy is how it performs over time. In this interview with Steve Bonner, CEO of Cancer Treatment Centers of America, we explore the strategy of a company that has thrived in an industry where many are struggling, based on a strategy developed more than a decade ago. Using DPI's Strategic Thinking Process the CTCA management team created a unique, differentiating strategy that has yielded increasingly excellent results for patients and the company, without any major changes of direction.



# Steve Bonner

***President & CEO*** | CANCER TREATMENT CENTERS OF AMERICA

Cancer Treatment Centers of America

Winning the fight against cancer, every day.®

## *"It is always and only about the patient."*

This simple mantra has led Cancer Treatment Centers of America, in a little over a decade, to become one of the world's most successful healthcare providers in terms of patient outcome *and* financial success. In an industry beset by changing regulations, intense competition, rapidly rising costs and increasingly complex technology, CTCA has consistently defied the odds, and altered many of the traditional rules of cancer treatment and health-care in general, in a quest to shift the focus from the providers and payers to the patient. With a unique strategy developed using DPI's Strategic Thinking Process, CTCA has kept a sharp focus on this concept as it has grown in both size and its influence on the direction of cancer care.

"The business, for us, is patient empowered medicine," says CTCA founder Dick Stephenson. "*It's all about the patient.* It is *not* about the providers to the patient of any goods or services. It is *only* about the patient."

CTCA believes in treating the *whole patient* through a much more holistic approach than most other providers of cancer treatment. In addition to the latest, technologically sophisticated methods in traditional oncology care, CTCA also integrates principles of Chinese and Ayurvedic medicine as well as psychological care, physical therapy, pain management, dietary supplements and an emphasis on healing nutrition. A comfortable, nurturing experience emphasizes soothing surroundings, organic food, and a philosophy of removing as much stress and discomfort as possible for the patient.

Steve Bonner

Says CTCA CEO Steve Bonner, "We are committed to holistic and integrative oncology care, which starts with the view that a tumor is a *symptom* of the disease and is not the disease. We believe that the disease is a deficiency in the patient's immune system. A healthy immune system normally will kill strange cells.

"So we start with the very best traditional therapy, such as chemotherapy, radiation and surgery, to treat the tumor. We surround that with a robust array of complementary therapies that support the immune system and manage side effects. When we started at this, there were a lot of people looking down their noses at us and pooh-poohing that kind of thing, saying 'There's no proof, no scientific evidence.' We've done many studies, and published over sixty peer-reviewed abstracts now on the effectiveness of our approach. And this has led others to move in this direction of treating the whole patient. If you look and see what others are doing, every significant cancer treatment center is now offering some component of these additional therapies."

Indeed, measured against data produced by the National Cancer Institute, CTCA's outcomes in terms of survival, quality of life, patient experience and speed of care are often significantly ahead of the norm. Unlike most other hospitals, CTCA publishes these findings both internally for performance measurement, and on its website to allow patients to make more informed decisions about their treatment options. CTCA also advocates for transparency throughout the treatment process, allowing the patient to make the most informed decisions.

"We want an efficient and effective delivery to the consumer," says Bonner, "but the healthcare industry has pushed away the consumer from deciding what to buy, who to buy it from, what to pay for it and where to get it. They've left insurance companies, the government and employers to figure that out. There's no way that will work. Well-intending claims administrators cannot make high quality, reasonable cost decisions that match with each patient's values and needs.

"So CTCA committed to supporting a much more empowered consumer. That translates, first, into giving consumers information that allows them to shop competitively and comparatively."

This approach has been so successful that CTCA has grown ten-fold since 1998, doubling its number of hospitals. It has also achieved exceptional financial performance which allows it to continually research and implement innovative and effective cancer care.

### How It All Began

Yet the company's success did not come easily or immediately. CTCA began in the early 1980s when entrepreneur Dick Stephenson's mother succumbed after a long battle with cancer. So dissatisfied was he with her care, which he considered to be harsh, impersonal and often ineffective, that he became determined to find a new approach to more humanely treat complex and advanced stage cancer, dramatically improving the patient experience and outcomes. For six years he researched cancer treatment methods with a focus on what patients themselves said—what they valued, the most effective treatments, and what they were prepared to pay for.

His dream became a reality with the opening of the Cancer Treatment Centers of America's two hospitals, or "Centers of Excellence," in Zion, Illinois and Tulsa, Oklahoma. CTCA went on to continually break new ground in providing new hope, a unique array of healing options, and greatly improved results for many cancer patients whose providers have said that nothing else could be done for them.

The CTCA approach became so successful as the company grew that they felt the need to deliver their unique brand of cancer treatment closer to patients' homes than the original facilities in Illinois and Oklahoma were practically capable of reaching. One way to extend that care and to gain referrals from physicians, they thought, would be to acquire oncology practices in various locations around the country. The approach ultimately proved to be flawed however, as they were unable to adequately convert these traditional providers to their unique methodologies. Expected referrals never materialized, and the company's financial situation was eroding as a result.

### The Turning Point

When Steve Bonner joined CTCA as CEO in 1999, the company was struggling.

"When I came in, it was clear that we were strategically out of focus and I thought DPI's Strategic Thinking Process would be the best way to get us back on track," Steve Bonner said. "I had used the process at two other companies and what I like about it is that it's simple. It forces you back to the soul of your business, to the things that truly set you apart from your competition.

"As I think back on my first exposure to Strategic Thinking," he says, "the financial services company where I worked had hired an army of consultants from one of the Big Five firms who sweep through an organization and come back and tell you what your strategy should be. It was very provocative, but not relevant. It never converted to action.

"When I first saw Michel Robert's book, *Strategy Pure and Simple*, I thought it was an oxymoron. I thought the words that went together were *strategy*, *complex*, *and expensive*! DPI's concept really resonated with me, that all the knowledge you need to create a strategy resides in the heads of your own people, and that you need a *process* to extract that and look at it differently, and then translate that into an actionable set of tools. It just seemed so logical and simple that it was clearly worth a try.

"I think that it is so aligning, it has the capacity to get all the heads nodding about who you are and what you're trying to do. And especially today, where information comes at people from innumerable directions and at a speed that nobody can really keep up with, to have everybody grounded in clarity about, 'Why are we here? What are we doing? What's good to do? What are the things that are suspect?', I think that it's indispensable to having an organization with the ability to move nimbly forward. I also think it is critical to have skilled facilitators, such as in our case, Mike Robert and Craig Bowers to lead the process, surrounded with your very best people, because the real data and the answers reside in their heads, not in the heads of the consultants. It's hard work and I remember it took us three days in the fall of 1999 to get clarity about each of these elements. We had a really rigorous debate under a lot of stress with the struggle the company was having. But we held our collective feet to the fire, got it right and we're one testament to the fact that it works.

"I think it's a *powerful* concept and the *right* concept for every organization. I've used it in three different organizations, including CTCA, and in each case the results have been spectacular!"

Taking a cross-section of key managers through the DPI Strategic Thinking Process enabled the group to totally reassess CTCA's direction, and pointed them back to the enterprise's original concept — focus on the patient — in a hospital-based setting, and sourcing patients directly.

The most important revelation to emerge as CTCA's management team progressed through the process was that the company, particularly as a result of acquisitions, had wandered away from its founding principle—the complete focus of all the company's resources on providing their unique type of care to its patients.

Says Bonner, "We realized that we have to live by a *Customer Class Driving Force*, with that Customer Class being cancer patients with advanced stage and complex cancers. As Dick Stephenson says, 'It is always and only about the patient.' During the

DPI process there was some healthy discussion about that. Some thought we could be *Technology*-Driven. After all, don't we really need to be on top of the latest technology? But we already are. We're famous for that. We have the most modern of everything that's needed. But the process helped us to see that we don't want to be in the business of *developing* the latest medical technology. That's somebody else's business. For us, technology is a subset of our Driving Force, which is *the patient*. We also looked at a couple of other Driving Forces, but none of them fit like our Customer Class."

### Implementing The Strategy

A set of essential actions, or Critical Issues, were agreed upon by CTCA's strategy team, with ownership for each assigned to an executive to shepherd to completion. The first major action was the divestiture of the oncology practices CTCA had acquired.

"The process really allowed us to reexamine this issue of a hospital-based delivery system as opposed to an oncology practice-based system. It became clear how important it is to do this in a *hospital* setting. We have inpatients and outpatients, but we need a critical mass and a nucleus of patients to be able to have all these integrative therapies and practices available on a highly convenient basis to the patient. That became very clear. That made these oncology practices non-strategic assets.

"We immediately did a number of things," Bonner says. "We started either selling or shutting down these practices. We also completely resized the corporate office because it had been sized to handle this big network of physician practices. And that then allowed us to take a deeper look at what we really meant by *patient empowerment.* We pulled back to the top of the list the importance of being close to the patient, of really gathering market research, to find out what *they* value.

"We also were able to clearly see how to redirect the resources that had been going into these other facilities and focus them on constantly improving our understanding of the needs of our patients and the treatments that will benefit them the most. The result of that realization was that we became much more tightly focused, and the financial and therapeutic impact was amazing."

Since that time CTCA has kept a consistent strategic focus on its Driving Force, the patient with complex or advanced-stage cancer, and developing the Areas of Excellence that support it—market research, patient loyalty, talent management, and service and information delivery—all geared to understanding the patient's needs and delivering on them better than anyone else. This combination has enabled CTCA to grow rapidly as its groundbreaking approach has become better known through direct-to-patient marketing and word-of-mouth.

Says Bonner, "The company is, in round numbers, ten times the size that it was the day we did that first DPI strategy session in 1999. We're 3,300 stakeholders now. We're about to see our 35,000th patient. We're now seeing about 4,000 new patients a year and growing at roughly 15% a year. We've more than doubled the number of centers. That means we can provide this high level of care to that many more people in different parts of the country."

### Maintaining Strategic Focus During Rapid Growth

Rapid growth for a company in any industry can be a double-edged sword. Growth in size and profitability are welcomed of course. However, maintaining strategic focus with the addition of hundreds of new employees coming from traditional medical backgrounds, and geographic spread has depended on continuously communicating the strategy and reinforcing its essential place in the enterprise.

"Keeping our strategy alive and vital has been a major focus for us as we have grown, and it has several dimensions to

*"The company is, in round numbers, ten times the size that it was the day we did that first DPI strategy session in 1999."*

**—Steve Bonner**

it. Coming out of the strategy sessions we did a very rigorous and deep process for creating a 'mission, vision, values and brand promise,'" says Bonner.

"When we decided to go to a third center, we confronted that very issue—which is that this is such an intimate, unique style of care, that if we go to a new area and hire a large group of people from that area to open our center, it's not going to look like what we do. So we said, we won't open a center unless at least 30% of the people who are there on Day One have come from our existing centers.

"Still, I was concerned that with our growth, and number of people at the table, that the ability to understand our strategy and deploy it effectively would wane. So we created the Office of Strategy Management to help us to keep from wandering off our direction. One of the things they have done is to convert the strategy concept into what we have called a strategy primer, a booklet, which we could then use to educate every stakeholder or any group of stakeholders we thought would benefit from understanding the fundamentals.

"CTCA also created a process we call 'Hope, Pride, and Joy' which enables the selection of all the 150 people it takes to open a center. Weeks in advance a process is begun to integrate them into the culture, to role-playing the style of care, to working in simulated environments. Many are sent to existing centers for anywhere from a week, to six months for some of the more sophisticated physicians. The goal is to imbue them with the CTCA strategy and style of care, to allow that to be in place on Day One. We have a very rigorous selection and on-boarding process, that involves a selection filter that we have used for many years. We're seeing so many applicants now, especially with our reputation and the economy, that we're able to be very selective. We have also created our own internal university with a commonly held organization, the CTCA Center for Learning.

"We are also very rigorous in tracking the patient experience and feeding that back to our people. We, for example, have a patient experience survey that is fielded every day in every hospital. And we report patient loyalty scores down to the individual physician so that they have qualitative and quantitative data in terms of how they are creating the patient experience."

CTCA has also implemented a Lean Six Sigma program, with many Green Belts, Black Belts and Master Black Belts, and constantly re-engineers the culture to keep their eye on delivering what the patient values most.

## The Strategic Filter: The Essential Management Tool

As part of the Strategic Thinking Process, CTCA management created what is known as a Strategic Filter for decision-making. Literally a checklist, it provides standards by which to judge whether an opportunity or decision supports the Driving Force and Areas of Excellence. A lot of yeses mean the opportunity is worth serious consideration. More red flags, however, signal caution in further pursuit or scuttling the idea outright.

Says Bonner, "Without a filter for decisions, it is easy to wander off in any business. It would be easy to get distracted and confused and the patient experience would suffer. I think that's been part of the learning. I remember some people, in the early conversations when we were really struggling, would come up with an idea, and say, 'I think we can make some money out of this.' We weren't making much money at the time, so that sounded resonant. But then we would say, 'You can make money drilling oil, but that's not what we do. So let's go back to the Filters, and let's go back to the Driving Force and run it through there,' and a lot of distracting ideas fell by the wayside. Day after day, week after week, staying true to these things and letting them contribute to your thinking and execution drives the growth. It doesn't inhibit it in any way.

"We've really tried hard to teach the Strategic Filter technique. It's had applications in many places. We've built a very rigorous set of Strategic Filters that guide us when we're moving towards building a new hospital. We look at location and availability of talent. We look at travel patterns. An average patient travels 500 miles. How do people travel around a region? We look at the regulatory environment. We look at the competitive environment. And that's helped us pinpoint the places where we put hospitals. That led us to Philadelphia, suburban Phoenix, just outside Atlanta—places where, for a variety of reasons, we can deliver the best experience for the patient.

"We've also used our filters on the negative side—what *not* to do—such as when we've looked at potential contracts with insurance companies to understand that their point of view isn't necessarily harmonious with, or aligned with, our strategic direction. In one case I am thinking of it caused us to say, 'No, we're just not going to get the strategic benefit out of this.' "

## The Mother Standard

But the ultimate filter is what CTCA calls "The Mother Standard," which enables those delivering care to stay true to the CTCA purpose.

"It's really a very simple concept," Bonner explains. "It asks every one of our caregivers, every time they are interacting with a patient in what we call a moment of truth, that they ask themselves, 'If this were my mother or my father or another loved one standing in front of me, what would I want them to experience in that moment?' and deliver that to them. Then you've done your job. It doesn't require you to run off to a committee for approval, you don't have to call your boss, you don't have to look at a manual. We surround this with a lot of training, but we all know what we would want, from our expertise, for that person to experience.

"It's very empowering, and if you go around to other hospitals generally, and you watch people interact, they don't move with that type of empowerment. They're worried about malpractice—'Do I really have the authority to do this? Who do I have to talk to and who are the committees that are going to oversight this? Will this get paid for?'

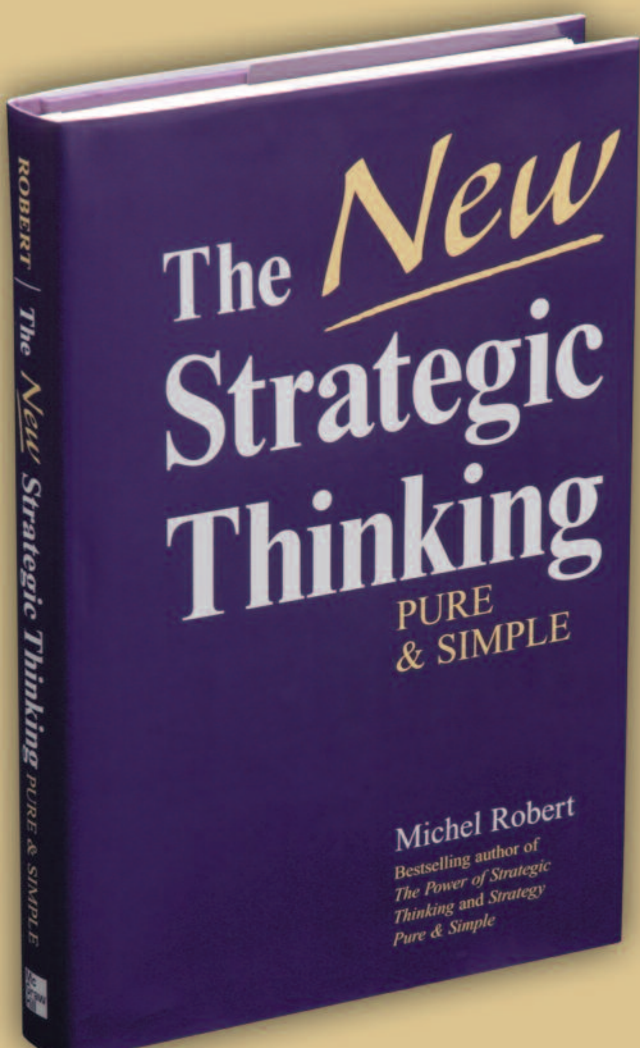
"So that Mother Standard is the core and it's right there in the middle of our Strategic Driving Force. That's a way to make it human. The organization loves it. The patients love it, and it makes the business *human*. It's another part of the perpetuation of the culture that's important."

CTCA's strategic clarity and focus on that Driving Force promise to help the company take its brand of cancer care to many more patients with increasingly effective treatment.

Says Bonner, "I believe that, because we have such a clear concept of our strategy and its implications, this enables us to see the future with greater clarity and see the path to allow us to sustain, regardless of what the government does, or what payers do. It's very powerful in that regard because it helps us be really clear about the fact that healthcare, oncology and CTCA are about delivering the highest quality care, what our consumers value. That's where we've always been. Now, because we're successful, and we can demonstrate this, it gives us a beacon on where to go in the future. Because of our focus on that segment, we have talent, technology, knowledge and expertise that allow us to open up other options for these people. As Dick would say, 'We're there for them when they need us,' and we need to make sure we never weaken our ability to deliver to those patients."

## Will your strategy put you miles ahead in your competitive arena—for years to come?

## Or is a "me-too" strategy making you a permanent also-ran?




The Strategic Thinking Process described in this book has put hundreds of companies on the road to sustained competitive advantage, returning control of the strategy to those who will implement it.

*This common sense process has helped hundreds of companies to:*

- Identify and build upon their Driving Force—the unique set of capabilities at the root of strategic advantage.
- Develop their *own* strategy—not a consultant's—in a matter of *days*, not weeks or months
- Gain *agreement on*, and *ownership of*, the strategy among key managers—and strong *commitment* to effective implementation
- Develop *distinctive*, game-changing strategies that put them far ahead of their competitors
- Create strategies that lead to sustained competitive advantage for *decades*

*"DPI and its Strategic Thinking Process have been a key catalyst of our growth."*

— Thomas Chua, Chairman, Teckwah Industrial Corporation Ltd

*"With limited resources and so much to do, we must be strategic in our objectives, thorough in our assessments, and targeted in our programming. DPI's Strategic Thinking Process is absolutely priceless. Tsao Foundation has benefited tremendously from it. I highly recommend it!"*

— Mary Ann Tsao, Executive Director, Tsao Foundation

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Why do some companies who claim to have a good strategy fail anyway? According to this author, there are ten basic reasons why strategies, even good ones, never get implemented and so, are doomed to failure.

For a more in-depth look into this subject, *The Strategist* suggests that you read Mike Robert's compelling book, *The New Strategic Thinking*. 

# Ten Deadly Sins That Lead to Corporate Extinction

*by Michel (Mike) Robert* —FOUNDER, DECISION PROCESSES INTERNATIONAL

"It's easy to develop a strategy, it's the *implementation* that's difficult." This is a statement we have frequently heard over the years. Our own experience proves that the exact opposite is true. If a CEO thinks that he or she has a solid strategy, and yet it's not being implemented, only one of two things can be happening:

1) The management team doesn't know or understand the strategy (it's very difficult to implement a *secret strategy*).

2) If the strategy is understood but still not being implemented, it's because some members of the management team don't agree with it and may, in fact, be trying to sabotage it.

In our view, there are *ten* deadly sins that an organization can commit that will inevitably lead to one of these two conditions, and eventually to corporate extinction.

### Sin #1: Strategy by Osmosis

In too many organizations, the strategy of the company is implicit and resides solely in the head of the chief executive. Most CEOs have some kind of strategy. However, they often have great difficulty articulating it to the people around them in words that allow these people to make consistent and intelligent decisions on behalf of the company.

One senior executive of a *Fortune 500* company once said to us, "The reason I have difficulty implementing my CEO's strategy is that I don't know what it is!"

Because many CEOs have difficulty verbalizing their strategies, most people are placed in the position of having to "guess" the strategy, and may guess wrong as often as they guess right. Or they learn what the strategy is over time by the nature of the decisions they recommend, which are either accepted or rejected. Gradually, a subordinate learns where the line of demarcation is between the things that are permitted by the strategy and those that are not. This is called *strategy by groping*. This occurs because the strategy becomes clear or explicit only over a long period of time. Meanwhile people may have spent too much time pursuing and implementing activities that did not fit, while neglecting opportunities that represented a better strategic fit. Even worse, the strategy may *never* become clear, or may be badly misinterpreted by people making an earnest effort to figure it out.

As one of our CEO clients once told us after our initial session: "I was astonished that our senior management group had no concept of our strategy and disagreed with it once they learned of it."

**Lesson #1: People can't implement a strategy they don't know anything about.**

## Sin #2: Strategic Isolation

A second reason the strategy may not be implemented properly is that the CEO developed it in isolation. This is a natural enough tendency, since a CEO's job *is* strategy. Furthermore, most subordinates have no experience *thinking strategically*, so there is no inclination or framework to involve others. Many CEOs have developed a strategy, but their key people are not involved in the *process* and therefore have no ownership. In such a case, subordinates usually do not understand the rationale behind the strategy and will spend more time questioning it, or figuring out where they fit, than in implementing it. The CEO becomes more and more impatient as subordinates question his logic, yet he can't comprehend why his people are not executing what, to him, is a simple strategy.

Some CEOs might involve one or two people in the formulation of the strategy. This is better than doing it alone but is still not good enough. The *entire* management team must be involved in order to achieve accurate understanding and proper execution. This cannot be accomplished simply by "going offsite" with this group to discuss the strategy. A methodology, or process, is needed to guide the discussion and keep it "strategic," not operational. This is the basis of DPI's *Strategic Thinking Process*. Involvement by senior managers in the basic strategic decisions is the most effective way to create a strategy that not only looks good on paper, but actually gets implemented.

As John Davis, President of American Saw and Manufacturing Company, and a DPI client, put it: "I think that too often strategies are made in a vacuum. The management is given a copy of the plan and asked to implement it. I'm not sure they buy into that kind of plan. But by going through the *Strategic Thinking Process*, there's a lot of debate and everyone sees the reasons why certain Critical Issues surface and things get done much more quickly."

**Lesson #2: People don't implement what they don't understand.**

## Sin #3: Outsourcing Your Strategy to an Outside Consultant

The worst of all strategic crimes and the "kiss of death" for any strategy—even a good one—is to have an outside consultant develop your strategy. No outside consultant has the right to set the direction of your organization or knows as much as your own people about the business and the environment it is facing. Most strategies developed by outside consultants end up in the wastepaper basket for two reasons:

1. Everyone can quickly tear the conclusions apart because they are not based on an intimate knowledge of the company, the business, or the industry.
2. There is no commitment by senior management because it is not *their* strategy.

Experience has shown that almost any strategy will work to some degree, unless it is completely invalidated by negative environmental factors. Experience has also shown, however, that no strategy will work as well as it should if a couple or a few members of senior management are not committed to it. In effect, if total commitment is not present, those uncommitted to the strategy will, at best, implement it half-heartedly and, at worst, on a day-to-day basis do everything in their power to prove it wrong.

As another DPI client, Kurt Wiedenhaupt, CEO of American Precision Industries, said: "I have been exposed to McKinsey, Boston Consulting Group, and Bain. They are all very capable and I'm sure their approach is very sound. The only problem is that their product is not of the people, by the people, through the people. It's not owned by the people who later have to live with it. When the strategy is developed by an outside third party, it is an alien product no matter how well it relates to the company."

In order to obtain commitment, key managers must be involved at each step of the process so that their views are heard and discussed. Participation, although it may seem time-consuming, builds commitment and, in our experience, saves exponentially more time on the deployment end of the equation. Key managers buy into the strategy because they helped construct it. It is as much their strategy as the CEO's.

Many CEOs have used our process knowing the outcome in advance. They did so anyway, using it as a tool to tap the advice and knowledge of their people and to obtain commitment to the conclusions, so that implementation of the strategy could then proceed expeditiously. Still others, thinking they knew what the outcome would be, discovered new ideas, or flaws in their assumptions that would have caused difficulties down the road. By gathering the collective knowledge of key people, such ideas can be evaluated and problems can be flushed out and dealt with before they happen.

Three other of our CEO clients expressed it this way:

"I think the process increases management's understanding. I could probably have relayed that kind of thinking to the same group by other means, but not as successfully or in that same condensed timeframe."

"My belief is that the best strategy is the one that people believe in, because then they are *driven* to achieve it. You can have the best strategy on paper, but if nobody is driven to achieve it, you don't succeed. I believe that to be successful, your key people must be part of the process."

"The DPI Strategic Thinking Process brings you to consensus on the Critical Issues that need to be addressed. In a very short timeframe you can get the whole management team there."

**Lesson #3: Don't outsource your thinking to an outside consultant.**

### Sin #4: Operational Managers Are Not Trained as Strategic Thinkers

Because most people spend their entire careers with an organization dealing exclusively with operational issues, they are not good strategic thinkers, as noted earlier. With few exceptions, we have found that only the CEO or the General Manager sees the "big picture" and views the business and its environment in strategic terms. There usually is only one strategist in any organization and that is the CEO. Most managers are so engrossed in operational activity that they have not developed the skill of thinking *strategically*. Therefore, they have difficulty coping with strategic issues, especially if these are sprung on them out-of-the-blue at a company "retreat."

"The problem," said Milton Lauenstein in an article in the *Journal of Business Strategy*, "is that many executives have only the fuzziest notion of the functions of strategy formulation." This is why a process that guides the management team through these strategic issues is essential. Expecting your operational people to suddenly become strategists without such a tool will create more problems than it solves. On the flip side, given such a process, most senior managers will surprise you with their ability to think strategically and creatively once they have the framework, permission and opportunity to do so."

**Lesson #4: The CEO may be wise to involve key subordinates in the strategy creation process for strictly educational value.**

### Sin #5: Planning Numberosis

People will implement a strategy more effectively if they understand the difference between a strategic process and either long-range or operational planning. They also need to be able to distinguish between strategic and operational issues. Participation in a clearly *strategic* process is an eye-opener for most managers. Most have never participated in a strategy session, or if they have, most find that they have primarily dealt with operational issues, and so never learn the difference.

DPI has developed a bias against the operational planning systems used in many organizations, based on the "five-year business plan approach." What is so special about five years? Shouldn't our planning be more related to our *strategic* time frame? All the five-year plan does anyway is to update the first year and guess at the last four years. Strategy development and review do not lend themselves to an annual cycle because the environment is not that predictable. Tying strategy formulation to annual budget exercises ensures failure.

**Lesson #5: Planning does not a strategy make.**

### Sin #6: Meaningless Mission Statements

Lately we have noticed a substantial increase in the number of corporations attempting to construct mission or vision statements that articulate the organization's business concept. Unfortunately, their efforts are often fruitless because of the lack of a disciplined process to help them. As a result, they end up with statements that are so "motherhood" in tone that everyone can agree with them, yet they are useless as guides to making daily operational decisions. Over time, these statements are quietly ignored.

**Lesson #6: A strategy statement must serve as a filter for decisions.**

### Sin #7: No Crisis, No Strategy

Good times are another obstacle that impedes strategic thinking. When times are good, who needs to think about where they are going? The need to think about direction usually surfaces after a crisis. General Electric, which is highly regarded for its strategic planning process, did not become concerned about this kind of thinking until the disaster they had in the computer business in the early 1970s when they wrote off several hundred million dollars.

**Lesson #7: Strategizing should occur during good times as well as bad.**

### Sin #8: The Critical Issues Are Not Identified

One aspect of strategy is its formulation. Another is thinking through its implications. Most strategic planning systems we have seen used in organizations don't encourage people to think through the implications of their strategy. As a result, they end up reacting to events as they happen and people start losing faith in the strategy.

Every strategy, especially if it represents a change of direction, has implications. A good strategic process should help management identify, anticipate, and effectively manage the strategy's implications on the company's products, markets, customers, organization structure, systems, processes, personnel and culture.

**Lesson #8: Thinking through a strategy's implications is key to its success.**

### Sin #9: Strategizing Without A Process

In every strategy session that we facilitate, there are always two dynamics at work, namely *process* and *content*. Content is information or knowledge that is company or industry specific. Telephone company executives know a lot about cables, switch gears, cell towers, PBXs, analog or digital devices, transmission, etc. They know all this *content* because they were "brought up" in the industry and that is the content that is specific to that industry. It is part and parcel of their lexicon.

Executives at Caterpillar, however, know nothing about those things but do know a lot about their own *content*. They can mesmerize you for hours talking about metallurgy, welding, payloads, diesel horsepower, and their ability to "cut iron" better than anyone else. This is their *content* and their comfort zone.

At 3M, all executives at the top have degrees in chemistry or chemical engineering and can talk for hours about polymer chemistry and its use in coating and abrasive applications. Such is their world.

In order to climb up the ladder in most companies one needs to be a "content expert." This is necessary in order to be able to manage your way through the day-to-day content-laden operational issues. Most executives get to the top of their respective silos because of their content expertise, and rightly so.

At the strategic level, which is above the silos, content expertise alone is not sufficient. In fact, too much content knowledge may be a major impediment to good strategic thinking. This is because strategic thinking is *process-based* rather than *content-based*. Operational management requires the skill of *analysis*, while strategic management requires the skill of *synthesis*.

Analysis is the ability to study content and put it into logical *quantitative* pieces. Synthesis is the ability to make rational decisions based on highly subjective, sometimes ambiguous or incomplete, pieces of data. Synthesis is highly *qualitative* in nature. Strategic thinking falls into this category. It is the ability to take subjective data and opinions and bring them into an *objective* forum where rational decisions about the future of the enterprise can be made. In order to achieve this outcome, a CEO must have a "process of strategic thinking" that enables the CEO and management team to assemble all available information, put it into perspective, separate pertinent from non-pertinent information, and draw out rational conclusions.

*"The DPI Strategic Thinking Process brings you to consensus on the Critical Issues that need to be addressed. In a very short timeframe you can get the whole management team there."*

Essentially, strategic thinking is applied common sense and is easy for anyone to understand once the methodology is available.

**Lesson #9: Good strategic thinkers separate process from content.**

### Sin #10: Using A Content Consultant

A CEO who seeks outside assistance to help decide the future direction of the company faces a choice between two very different types of consultants.

One is the *content* consultant. These are the traditional firms such as McKinsey, Bain, Boston Consulting Group, Monitor and many others. Their claim to fame is that they have "industry experts" who know their industry better than the client does. Their objective is to formulate a strategy *for* you since your people are not as knowledgeable as their "experts." In other words, they do it *for* you, or *to* you.

In our view, this form of consulting may be appropriate in regards to operational issues, but it is not appropriate to strategy and strategic direction. These firms are *content* consultants, and they are selling content. Unfortunately, they sell the same content to all their clients in that industry. The best result is a me-too strategy that does not set you apart from your competitors and will never bring supremacy over them. You are, in our humble opinion, *outsourcing your thinking*.

A better service to a CEO and the management team is to bring them a critical thinking *process* and guide them through that process. In doing so, it is *their* content going into the process, and it is *their* content coming out. When the strategy has been constructed by the people who have the best content *and* a vital stake in the outcome, implementation is much faster and more successful than when strategy is imposed by an outside third party.

After using the DPI Strategic Thinking Process, Laurie Dippenaar, CEO of FirstRand, South Africa's largest financial services firm, agreed:

"What's affected us more than anything else is the fact that it systematically extracts the thinking and ideas from the executives' heads, rather than imposing the consultant's thinking. I think it almost *forces it out* of their heads. That obviously leads to the strategy being owned by the company, rather than by the consultant. I'm not just repeating what DPI says; it actually works that way."

**Lesson #10: Process assistance speeds up strategy implementation.**

One of the most frequent topics of discussion among C-level executives is "strategy." Yet, there are many interpretations of what the word really means. Before a strategy can be developed and implemented, it is important that a company's entire management team agrees on what a strategy is, so they know what they are trying to create. In this article, the author puts forth a number of possibilities as a starting point for discussion.

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# What is Strategy Anyway?

*by Richard W. Oliver*

On the face of it, defining "business strategy" seems like a no-brainer. Yet when I was confronted with the challenge recently in a faculty meeting, I found myself rather less than articulate. "Bad form!" you might say, for a professor of the subject and more importantly, a columnist on strategy.

Okay, so you got me. But before you get too critical dear reader, how about taking a shot at it yourself?

… I'm waiting …

Ah, see what I mean? It's not as easy as it might at first appear. The fact is, there are many definitions of strategy, some are highlighted here.


## Defining Strategy

Well, I finally got my act together and will share with you now my humble (and brief) contribution to the strategy definition debate:

*Strategy is understanding an industry structure and dynamics, determining the organization's relative position in that industry, and taking action to either change the industry's structure or the organization's position to improve organizational results.*

This definition encompasses all the major activities undertaken in the strategy process and should focus practitioners and scholars alike on what's important (i.e., what drives the amount and nature of corporate success). *Industry structure and dynamics* determine the broad parameters of growth and earnings potential and delimit what is realistically possible to achieve. *The firm's relative position* in a given industry structure sets its specific achievement profile and the scope of its strategic options. Finally, *industry or organizational change* defines the specific organizational responses to its strategic (structural and positional) circumstance and aspirations.

While no definition is perfect (and granted, this one suffers from lack of detailed specifics when compared to some of those offered in the list that appears later), it does offer the practitioner a general place to start in determining an approach that a particular firm might use.

To help broaden your thinking about the definition of strategy, I offer a brief review of the history of strategic thinking.

## The Evolution of Business Strategy: Strategic Metaphors

One time-honored way to come to grips with a difficult concept such as strategy is to think in terms of metaphors—something that is "linguistically transformed to 'stand for' something else". An early and persistent model was that of strategy as war, and later modified to strategy as sport.

## Strategy As War

The word *strategy* is derived from the Greek word *strategia*, meaning "generalship." For early commercial enterprise that moved beyond the family firm, business approaches often mirrored those of the military. The command and control models army generals used moved easily into business practice with little alteration. Company heads commanded the troops while winning battles through sheer force (superior resources), because they had an impenetrable fortress (a protected market or monopoly), or via guerilla warfare (going after competitors when they're not expecting it).

Some of these thematic elements still exist today. Many top executives regard Sun Tzu's *The Art of War*, written more than 2,000 years ago, as required reading. The command and control model was pervasive until the dawn of antitrust legislation in the late 1900s, and its lifecycle was extended by the Great Depression. Keeping workers happy or motivated was rarely a consideration, and companies were much more likely to dictate to customers what they could buy than to listen to what buyers wanted. Strategy was primarily centered on winning the war by eliminating competitors.

### Strategy As Machine

World War II demonstrated that the winner was the one with the better "industrial machine." Thus, the war metaphor gave way to a view of strategy as essentially an industrial process that, just like a factory, was largely mechanized. The prescribed approaches to strategy seemed to suggest (just as with a machine), "If you press this button or pull this lever, then such and such would happen."

With its new emphasis on mechanistic processes, the idea of strategic planning drew more attention in academic circles through the 1960s. Major corporations created strategic planning staffs and began to implement systematic planning processes. For the first time, strategy became a *business* process that was seen as manageable, in the same manner as other elements of the business. Many of today's key terms and tools—as well as a number of strategy consulting firms—were developed during this period. Courses on strategic planning began to enter the business school curriculum in a limited fashion.

However, just as enhanced communication and global planning permanently changed the nature of warfare, these factors also affected the nature of business. By the late 1960s, business had become more international, more complex, and more sophisticated as firms rushed to reinvent themselves and grab global market share. Firms realized that there was a "web" of interrelated stakeholders who directly affected success. What was needed, then, was a new metaphor.

### Strategy As Network

The global shocks of the 1970s illustrated the importance of flexibility, non-linear thinking (i.e., strategy was not simply an extension of current trends), and rapid communication in strategic thinking. Many companies burdened with a rigid planning process, or no planning process at all, suffered devastating consequences at the hands of escalating oil prices, war, government instability and increasing global competition.

The 1980s saw the rise of Japan and its consequent effect on strategic planning theory and practice. The rapid advances in technology also had a dramatic effect, with the humble bar code turning inventory management upside down and the rise of ERP computer systems allowing managers to track widespread geographic activity in real time.

As the personal computer and advanced robotics became more widespread, productivity increased, and managers gained a wider view of operations than ever before. The 1980s were a golden time in the history of strategy. The decade witnessed the start of global planning processes, corporate reengineering, the "information-based organization," and recognition of the employee as a key resource.

The 1990s were a boom time for the United States. Strategic thinking was affected by the rise of the Internet, accelerating advances in technology of all kinds, and a continuing striving for efficiency and low-cost production, putting the focus on a firm's ability to "add and migrate value." Strategic planning and continual revision became entrenched as a vital core of the corporation.

### Strategy As Biology

Perhaps the most important change in strategic thinking in this period was the recognition of the critical role customers played and their intimate relationship with the "ecology" of the firm. With few exceptions (e.g., government-dictated monopolies) the customer has always been the final arbitrator of corporate strategic success, particularly over the long term.

*Perhaps the most important change in strategic thinking in this period was the recognition of the critical role customers played and their intimate relationship with the "ecology" of the firm.*

However, as a result of the proliferation of information technologies during the late 1990s, the customer role in strategy formulation became more immediate and instantly powerful, influencing the life of the firm just as a living organism interacts with its environment.

This strong and continuous interaction of a firm with its environment, particularly its customers, begs for a new metaphor: Occasionally, one hears a biological metaphor suggested for a firm and its strategy. I predict *strategy as biology* will be the dominant strategic metaphor for the future.

### Strategy Today

What is strategy today if the CEO is the DNA of a firm rather than the ultimate manager pushing buttons or leading a platoon? If innovation and change are being created as a natural and intimate part of a constantly mutating organism?

This is where many definitions of strategy fail. Even mine. Most definitions are written by academics for other academics and their students or, at best, by consultants for their CEO/CFO/Chairman clients, and most fail to capture the currents of change in business.

The dismal state of the world economy in the beginning of the new millennium made judgments about the state of strategy today even more difficult.

However, while admittedly not perfect, the definition I advance does argue for a more organic view of strategy. To me, strategy is the process of understanding the industry (its ecology) and the firm's position in that industry (its genetic makeup). It involves understanding whether the firm can either improve the structure of its industry or improve its position within the industry (either a revolutionary or evolutionary path).

It asks the question: Can the firm be better than average in its current industry (get beyond its DNA)? If not, it must change the structure of the industry or place itself in another industry where it can be dominant (mutate or die).

While I'm not entirely happy with my definition, it will have to do for the moment. Next faculty meeting I'll try to be more articulate in defining strategy. In the meantime, practitioners need to have a working definition that they and their colleagues agree on and use.

Here in the Ivory Tower, it's simply a matter of debate. For those of you in the real world, it can spell the difference between corporate life and death.

### Strategy Definitions: A Sampling Over Time

A *strategy* is the general direction in which an objective is to be sought. (*Strategic Planning and Policy*, William R. King and David I. Cleland, 1978, p.51)

*Strategy* is a major organizational plan for action to reach a major organizational objective. (*Strategic Management, Text and Cases*, James M. Higgins and Julian W. Vincze, 1989, p. 166)

*Strategy* is a coherent, unifying and integrative pattern of decisions; determines and reveals the organizational purpose in terms of long-term objectives, action programs and resource allocation priorities; selects the businesses the organization is in or is to be in; attempts to achieve a long-term sustainable advantage in each of its businesses by responding properly to the opportunities and threats in the firm's environment, and the strengths and weaknesses of the organization; engages all the hierarchical levels of the firm (corporate, business, functional); and defines the nature of the economic and non-economic contributions it intends to make to its stakeholders. (*The Strategy Concept & Process, A Pragmatic Approach*, Arnold C. Hax and Nicolas S. Majluf, 1991, p. 6)

*Strategy* is a plan, or something equivalent—a direction, a guide or course of action into the future, a path to get from here to there, etc. Strategy is also a pattern, that is, consistency in behavior over time. (*The Rise and Fall of Strategic Planning*, Henry Mintzberg, 1994, p.23)

*Strategy* refers to either the plans made, or the actions taken, in an effort to help an organization fulfill its intended purposes. (*Strategic Management*, Second Edition, Alex Miller and Gregory G. Dess, 1996, p.38)

*Strategy* is the creation of a unique and valuable position, involving a different set of activities … The essence of strategic positioning is to choose activities that are different from rivals'. ("What Is Strategy?" Michael E. Porter, *Harvard Business Review*, November/December 1996.)

Every organization operates on a Theory of the Business … *Strategy* converts this Theory of the Business into performance. Its purpose is to enable an organization to achieve its desired results in an unpredictable environment. For strategy allows an organization to be purposefully opportunistic. (*Management Challenges for the 21st Century*, Peter Drucker, 1999, p. 43)

*Strategy* is a broad articulation of the kinds of products the organization will produce, the basis on which its products will compete with those of its competitors, and the types of resources and capabilities the firm must have or develop to implement the strategy successfully. (*Strategic Management*, Garth Saloner, Andrea Shepard, Joel Podolny, 2000.)

Here is the definition of Strategic Thinking coined by Decision Processes International, publisher of *The Strategist* magazine.

Strategic Thinking: That *thinking process* that goes on in the head of a CEO and key management when they attempt to articulate a vision and translate it into a *profile* of what they want the business to become.

To learn more about Strategic Thinking, we suggest reading the ground breaking book, *The New Strategic Thinking*, Copyright © Michel Robert, published by McGraw-Hill.

As online marketing becomes more pervasive, it is becoming increasingly important that CEOs understand what works best and how to assure that the significant investments in these technologies pay off. In this article, digital marketing guru Colleen Backstrom describes some emerging concepts that maximize online marketing effectiveness.

*Published with permission of the author. Colleen Backstrom is CEO of Kaleidoscope Advertising and Marketing, one of the leading online marketing companies in South Africa www.kscope.co.za.* 

# How to get more from your online marketing. 4 Strategies.

*by Colleen Backstrom*


Way back in 2007 Harvard Business School put out a paper entitled "Fixing the Marketing — CEO Disconnect", which highlighted the gap between the marketing function and the C-suite. It emphasised that too much delegation of responsibility to the marketing department can result in marketing activities, which are not supportive of the company's greater strategic goals. In 2011 the fundamental nature of marketing has shifted so rapidly that many CEOs, given the pressures of other priorities, have found it hard to keep pace.

## Digital has become core to the future of marketing.

The days when digital simply meant a PR website are over. 2011 marketers require online to be more productive. They appreciate the extra reach that the internet offers and are making the deep strategic shift to make online work; digital needs to accelerate revenue growth; and digital needs to find new clients and generate real leads.

This requires a mind shift from the way we've done things before. And the CEO is the one that should be driving this mind shift to ensure that online marketing activities are aligned with strategic objectives. Unfortunately, however, CEOs have often felt out of their depth when it comes to the internet and have left online marketing up to the marketing divisions completely. To make matters worse, the online marketing function in some corporates has now been taken over by the IT department, because "they're the only ones that understand the technology." This gives us communications that work technically, but the strategic marketing objectives have been lost somewhere down the line.

How to fix the rift?

Marketing is a strategic function and should drive IT. IT is there to support marketing. Not to create it. The 2011 CEO and his executives can no longer afford to stay out of the marketing department. They must stay abreast of new online trends, and assess each one on its possible merits and strategic fit for the business.

Here are four strategies that could help you capitalise on the new growth opportunities offered by online marketing in 2011.

## Strategy 1.
## Create a mini-site.

Some years ago a Nielsen (USA) report revealed that speed is the number 1 criterion for a website. Viewers want to "get on, find the info, and get off again." And quickly. This created new disciplines for web designers. The best beloved bells-and-whistles flash sites had to go, and a fine balance was needed between aesthetics and speed.

A level up from a speedy site is the mini-site that provides only the specific niche information that the viewer requires when searching for solutions online. The mini-site is a one-page website that gives the viewer in-depth buying information on only one product or service offering. It serves the customer who is interested in that very thin slice of the market known as a micro-niche. This viewer is less interested in the fact that we've-been-around-since-1984; our-mission-statement-is. And more interested in the product or service that provides the specific information needed. "Give me only what I want. And nothing else."

### The rise of the mini-site.

Millions of viewers use keywords to search the web each day. And, as they become more impatient about the time it takes to find the information they want, mini-sites become highly effective marketing tools. A single-page website provides information on a specific product, event or service component of a business. A mini-site is laser targeted, quick to design and quick to build. It can function as an auxiliary to the primary website. Or it can stand alone. And it can be enhanced by multimedia content, e.g., a 30 second video can be either a talking-head or a production demonstration. *(see Strategy 3)*

### Will a mini-site work for you?

Where do in-depth mini-sites work best?

1. If you're a big corporate with a diverse product range, isolate some specific products and create mini-sites for each of them. Especially if the product or service solves a problem (a pain point) and will relate to a specific keyword search.
2. As editorial support towards an event. Or support for a specific product, e.g. in describing new technology, "Hybrid Transmission Systems" for a new car. Or "How to Grow Bulbs Successfully," if you sell mail-order bulbs.
3. When a different design style is needed for a product that does not fit the corporate style, e.g., a cell-phone insurance product where your target group is 20-something. You would want the design to be vibey and young with bright colours to attract the new target group.
4. For pay-per-click advertising or PPC. A mini-site is an excellent vehicle for carrying topic specific, keyword rich content with the goal of having high search engine rankings. And a mini-site focussing on specific keywords, gives you a better Google Quality Score. And a lower pay-per-click cost.
5. When launching a new product. We notice that car manufacturers are at last starting to use mini-sites. So instead of having to wade through every single model ever made on the parent site, only the information relating to one model is made available on the mini-site. See the new Chrysler mini-site for the "All-new 2011 Dodge Durango."
6. For online direct response marketing; as a support to your email marketing. The growth of online direct response marketing has meant that mini-sites have become extremely popular as the first stop link to buying information.

### Checklist: the components of a mini site

Mini-sites are of course not new. They've been around since the 1990's, variously named as one-pagers, squeeze pages, landing pages. But the new mini-site has a specific eye-tracking formula that makes it work better than ever before as a marketing communication. This page is focussed on only the information and pictures that lead the viewer to a decision to contact you. The formula looks like this.

– A relevant picture to make it sticky. And, if it can be a picture of a person, so much the better.
– Address the problem. A strong, what's-in-it-for-me header.
– Provide the solution.
– Support information; guarantees, testimonials and social proof.
– A graphic strong call to action; click here which leads straight to your sales team for an immediate response.
– Optional: A 30 sec video if your product will benefit from a demonstration.

### And finally. A category defining domain name.

Here's what is really exciting. Each day, millions of viewers use search engines to find things they need online. To do this they key-in specific words. The site that can provide the best match to these words, wins the customer.

To keep yourself high on the search engines you create a new domain name that relates strictly to the search words being used on Google to find your type of product. Say your company sells sheet music. And it is called Musicnotes.co.za. The domain name of your mini-site will be called sheetmusic.com, because Google tells us that that is what people are searching for. Google likes this. Depending on your market and search terms, you can benefit from a higher volume of traffic than you can expect from your parent site.

*Note: the mini-site does not replace the parent corporate site which remains the authority site. And some corporates have more than one mini-site.*

## Strategy 2.
## Blog? Yes, blog.

If you're of the opinion that a blog is a daily list of personal trivia for people who have nothing better to do, then you're not alone. Not surprising really. A quick scan of the average blog leaves one with the distinct perception that the people who have the most time to write have the least to say. And the experts who have the most to say, do not have the time to write. Certainly, writing articulately is a difficult and time-consuming task. And not on the daily agenda of the stressed and over extended executive of the 21st Century business.

### So why is blogging a strategy that you should consider?

This is an age where you can build your professional reputation word by word.

In its ability to educate and inform, a well-written blog is a platform to promote business to a massive internet audience. It is simply great, cost effective PR. And extremely cost saving when compared to a TV or newspaper branding campaign.

And there are other major advantages:

**1. Improve your search engine rankings.** Search engines love blogs. Google loves text [your blog]. And Google loves links [your web link]. So every time you post a blog, Google ratchets up your website in its search engine rankings. This fact alone should encourage you to blog.

**2. Drive traffic and sales to your website.** 80 percent of business blog traffic comes from first-time visitors via viral referrals and key word searches. What a great way to find new customers!

**3. Build credibility as an industry expert.** We all love to do business with an expert. Be one. Blog your company knowledge and expertise and position yourself as an authority in your niche.

**4. Improve your customer service.** Blogging interaction from viewers, both good and bad, gives you a great opportunity to interact with your customers. And a great opportunity to say-sorry-nicely when things go wrong.

### So how do you start?

A blog is at its finest when it is regularly filled with quality content. Now here's the thing, I hear you say ... who, just who, in my busy business, has the time to be the writer of this fine quality? The answer is to unleash the real expertise in your organisation by giving each department the task of writing one blog a month on a rotating scale and to a set time schedule. For coherent consistency the topics can be decided at the beginning of the year. And to create pride and ownership, and most importantly internal readership, let your employees vote at the end of the year for the best blog.

Another blog methodology is to set up your customer service department with a blog [see googleblogs] and let them blog the resolutions to customer queries. Not only will these FAQ's be valuable to blog viewers, but also to new customer service employees.

## Strategy 3.
## 30 Second Online video.

Until recently, a video marketing message was limited to television (interruption advertising) or the company CD (which usually landed in the office drawer, unwatched). The internet and the rise of YouTube has made it commonplace (and desirable) for us to look-at-the-pictures. In Europe or the USA it is not unusual to see a 30 second video on a mini-site, a blog or corporate home page. The video appears onscreen as a small rectangle a few centimetres wide with a "start" arrow.

The video can be a simple product demonstration, or testimonial interviews with various customers.

Explore an online video for your site. It allows you to tap into the buying emotions of your viewer and to create brand moments that are only possible with moving pictures.

*Note: Although online video is a great opportunity for communication marketing, it should be used in conjunction with text. For viewers in a hurry, text is still better in that it allows scan-reading and easy linking to quickly find the desired information.*

## Strategy 4.
## Get professional with email marketing.

We suggest you finally put some serious budget into your email campaigns and make it the job of the marketing department to ensure strategic alignment. It is no longer acceptable to be sending out PR and branding "newsletters." Readers are not interested in your news. They want to know what you can do for them, how you can fix their problems. A marketing email should exist for one reason only. To move you towards a sale.

So how do managers, especially if not schooled in emarketing, know the difference between a good and a bad campaign? Here are some quick guidelines.

– Is your campaign focused on your strategic objectives, leading to a targeted result, set by you?

– Are you using the science of eye-tracking studies to guarantee that your emails get the responses you require?

– Is your campaign response driven with ROI measures in place?

– Is the campaign fully measurable? And can you track every cent of your adspend to a sale?

– And most importantly, have you budgeted for an ongoing campaign, minimum one year?

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