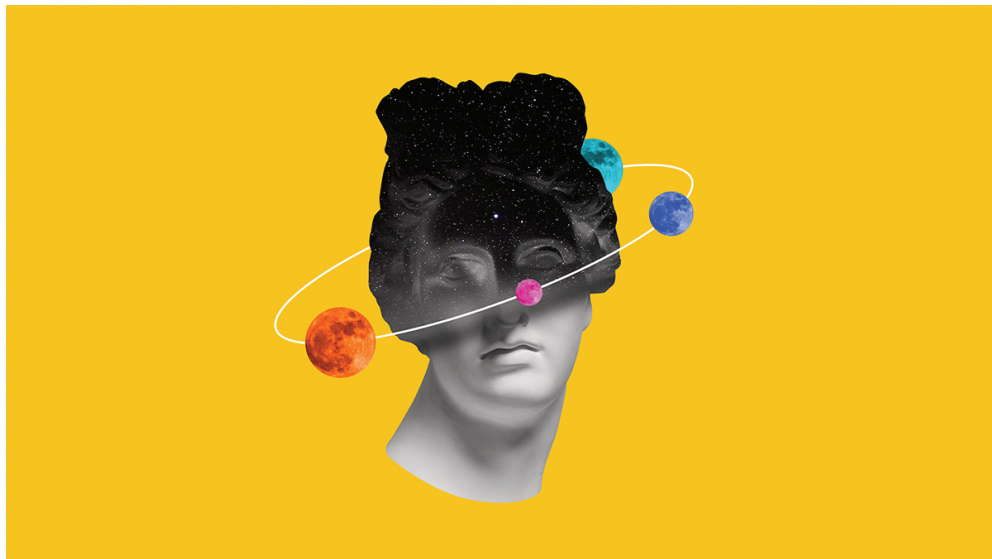




Strategy



# 4 Techniques for Developing Strategy Insights

You can engineer those “aha!” moments. **by Graham Kenny**

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**Achieving advantage over competitors is what strategy** is about. All organizations have competitors, no matter whether they're business, government, or not-for-profit entities. Some compete for customers, some for funding. And they all compete for employees.

But strategies only work if you can figure out how to position your organization on the strategic factors most relevant to your organization's key stakeholders. And doing that requires what we call insight, a recognition that no-one else has had about what your

stakeholders really want. It's that aha moment when someone explains something to you and for the first time you "get it." Or it's when you put "two and two together." Or when suddenly in your mind "the lights go on." We have many metaphors for an incoming insight.

But how do you create the conditions for getting an insight? Here are four techniques to develop the insight you need to crack open your competitive advantage.

### **Introspection**

If you visit the [Massachusetts Institute of Technology \(MIT\)](#) you'll see Charles Darwin's name inscribed with other great scientists in the stone frieze in the forecourt of the Great Dome. He is regarded by many as the greatest of all scientists because his insights on evolution and adaptation changed how we think about life on Earth. Darwin was a [great walker](#). And on these walks, usually around a rectangular track called the "sandwalk" near his home, he'd toss ideas around in his head speculating on connections between concepts and phenomena.

For Tom, the CEO of a diversified public company, insight comes not from walking, but from gardening. "When I'm at work my day is chock-a-block with meetings and issues, unscheduled events that I must deal with. So, there's no time to think about strategy. I think about strategy when I'm gardening, which I enjoy in my spare time. It's my time to decompress. It's when my mind is free and in a relaxed mode."

Charles Darwin illustrates that gathering insights via introspection takes time. Tom demonstrates that your mind needs to be in a relaxed and creative state. Under these conditions you can propose hypotheticals for yourself playing "what if?" I dare say Jeff Bezos would have done the same prior to the launch of Amazon in 1994, "what if we didn't need bricks-and-mortar retail stores at all?"

## See Things as Others See Them

Introspection is a wonderful starting point. But it's limited by your view of events. Your organization's stakeholders look at your performance through completely different sets of lenses. Tapping into that is a golden opportunity to capture insight too. This is best done through conversations around, for example, customer needs, product use, or servicing requirements.

Gordon is the CEO of a fruit cooperative that takes oranges from its grower-members, grades them, packs them and sells them to retailers. He explained to me the moment when the "penny dropped" on a fundamental aspect of the coop's relationship with its growers. "Until we went out and interviewed several of our members, we didn't realize just how critical prompt payment for supplied fruit was. Some growers run on a very tight budget."

This insight had passed the office staff by as they weren't farmers and were used to paying creditors on extended terms. Improving the cashflow of its growers not only boosted the coop's relationship with its current members, but it also provided the coop with an advantage in attracting new members.

## Observe Stakeholder Behavior

While having a series of conversations with customers and other stakeholders is a highly effective way to get "I-didn't-know-that" insight, it's not without its shortcomings.

Customers can be poor at recalling past behavior. In surveys, for example, some respondents remember buying a certain brand when in fact they didn't. Their memory is unreliable because the most popular brand is often uppermost in their minds thanks to advertising.

Employees can provide false responses too because of what's called "socially desirable responding." This happens when an interviewee gives his or her opinion according to socially approved behavior. When employees are asked to *rank the importance* of pay from a list of potential motivators it typically comes in around fifth. Yet when it comes to actual employee behavior research has shown that it's typically much higher among motivators. Why the discrepancy? One explanation is that, when interviewed, employees don't want to be seen as mercenary.

This problem emerges most strongly when an individual is asked to *rank a set of strategic factors* — not so much in nominating the strategic factors as a group. Because of this, and in certain situations, consider gathering strategy insight from actual behavior.

### **Look at Other Industries**

Organizations in the same industry tend to play off the strategies of others in the same industry. This isn't restricted to the business sector. It occurs in the government and not-for profit sectors as well. An industry mindset emerges, and a consistency of process and strategy outcome become commonplace. Businesses in this situation become bereft of genuine insight.

To break this bind, companies have sought to gather strategy insight by looking at other industries. Examples I've documented include an international cosmetics business launching a men's grooming range. They examined how the energy drink company, Red Bull, attracted young male customers. Another was a social enterprise organization, which delivered coffee, tea and snacks to offices and factories. It turned to Toyota for customer-service inspiration to improve accuracy and speed in filling orders.

Another was a health insurance company which reviewed how large banking organizations employed automation to improve customer experience via an app. As Felix, the executive in charge of the project explained it, “we had to escape the industry way of developing strategy if we were going to achieve genuine breakthrough.”

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Gathering insight is extremely important to your strategic success. Why? Because insight creates competitive advantage, which produces results, financial and otherwise, above those of your competitors. And don't confine the notion of insight just to your customer or client needs. As I've demonstrated here, bring insight to the relationships you have with all your key stakeholders.

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