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a newsletter on practical strategic planning and action
issue #10: the art and science of strategic momentum

editor's message

It is pretty common for us to come up with a drawing that summarizes our thinking on a specific problem or challenge. Usually, it is developed after we have gotten to know a company well. It helps us express the essence of the business model or challenge, and often becomes the launch pad for productive discussions about the future.

We recently developed a drawing to explain our approach to creating strategic momentum for our clients. It shows a continuous process with three major phases: Information, Insight and Action (all words you have heard from us before). But as we described each phase, we were actually surprised to find a rhythm as we went around the circle: art-science, art-science, art-science.

This realization inspired us to write this month about the balance of art and science in our combined Strategic Planning and Action column. Our Industry Snapshot section looks at some contrasting results from "strategic conversations" in two separate industries. And, this month's Reading List looks at Confronting Reality.

strategic planning and action

Strategic Momentum

Our drawing looks like this:



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We call your attention to the middle ring. It is here that you see the rhythm of art and science:

Information	Gather data	Art
	Analyze	Science
Insight	Synthesize	Art
	Plan	Science
Action	Execution	Art
	Measurement	Science

What do we mean by art and science? We use the words to contrast the kinds of skills needed to be successful. Art, for example, implies dexterity, creativity and vision. Science is different. It requires adherence to a process, precision and quantitative outcomes.

When you think about it, business education tends to emphasize the scientific side of business, including analysis, accounting and process. These skills are easier to teach. And, most companies have a basic infrastructure in place to provide and deal with quantitative, hard data. Being former bankers, we absolutely appreciate the role of hard data and analysis in business.

But good scientific skills alone don't usually solve problems. Success often involves some degree of art as well—having an intuitive sense of what's important, what to do about it, and how to get it done. These skills are as critical to success (maybe more so) than the hard, scientific skills. They include instinct, vision, and leadership.

But how does this play out for your business in practice? Here are some ideas:

- Understand that you need a variety of skills to succeed
- Identify the mix of skills applicable to your situation
- Develop a balanced team that has varied strengths
- Make room in your management processes for both art and science

Business success is usually the result of a healthy combination of both art and science. Managing that combination can be challenging. Make sure you are aware of the right skills for the task at hand and give both the scientists and the artists in your organization room to thrive.

- Mary Adams (adams@trekconsulting.com)
and Michael Oleksak (oleksak@trekconsulting.com)

industry snapshot

The Value of Market Research

"If you build it, they will come" - Field of Dreams

It is a great sentiment for a feel good baseball movie—not a good idea for a business, however. Recently, we helped two companies by conducting market research. For one, we canvassed a difficult market to determine the viability of a product on the drawing board before a lot of money was invested. For the other, we investigated six financial services sectors to identify new markets for a software product.

The first exercise pointed out that our client needed more capital and industry experience in the field before buyers would get on board. As a result, our client has gone back to the drawing board and come up with a less risky and more patient road to success. The second client is now developing a marketing and sales program to pursue those markets we identified more efficiently than if we had not done the research.

Do your homework before you enter a new market, you will save yourself money and be much more effective in delivering new sales.

reading list

Confronting Reality, Doing What Matters to Get Things Right

By Larry Bossidy and Ram Charan

Bossidy and Charan followed up their hugely successful *Execution with Confronting Reality*. Bossidy and Charan focus on the business model as a framework for a company's path to the future. Their business model calls for an in-depth look at the external realities for a company, its financial targets, and internal activities. By regularly repeating this exercise, you come up with tested, actionable models for the business.

Confronting Reality's examples include EMC, Cisco, Home Depot, and the Thomson Corporation. The authors describe how these businesses transformed themselves by recognizing threats and changes in their external markets, and altering their internal activities to reach new financial targets. Bossidy and Charan emphasize aggressive information gathering and vision of the industry's direction—advice with which we heartily agree. A must read for CEOs and those advising them.



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announcements

The Trek principals will be the featured speakers at an M&A breakfast organized by the Printing Industries of New England (PINE) on March 9, 2005. We will be focusing on "The Value Equation" to help PINE members identify ways to build realizable value in their own businesses.

Next month we'll talk about working smarter, not harder.

about trek consulting

Since 1999, Trek Consulting has helped CEO's of early stage and middle market companies to face challenges of growth, change and succession. Our hallmarks are fresh information, disciplined analysis and practicality. We help you create specific action plans with metrics tied to revenues, costs or corporate value. Then we follow up to help you keep on track and/or adjust your plans as circumstances change.

Our clients report improved market focus, increased revenues, better margins and lowered costs. To learn more about Trek Consulting and how we can help you improve your company's results, visit us on the web at www.trekconsulting.com or call us at 781-729-1008.