

# Seven tests to validate your strategy

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*In the arena of fierce competition, when performances are continuously reviewed and analyzed for gaps in strategy implementation, it is important to check whether the business strategy is really robust. The author has developed 7 tests to validate business strategy in the initial stages which will enable organization to take corrective measures in time and deliver better results.*

The increasing uncertainty of our times combined with the ferocious competition and the need to quickly change gears has created pressure on the growth trajectories of many organizations. Often the challenge is to survive, and annual exercises centered on strategic thinking and business plan creation often generate results only midway, when sometimes it is too late to change course. The raging debate in boardrooms is this: was the strategy faulty or was implementation flawed? While implementation and field force are often blamed, it is important to evaluate whether the strategy was robust in the first place.

Developing a robust strategy, like most “trouble-free” things, is extremely tough in itself. Every business must grapple with questions that seek to chart out the validation of the robustness of their strategies. Testing one's strategy even before roll-out is important as it alerts the management and improves accountability of personnel. Moreover, it tracks progress to facilitate corrective actions and address strategic gaps in a timely manner. Here are seven tests to validate your strategy...

## 1. Is your strategy a market-beating one?

A market-beating strategy significantly

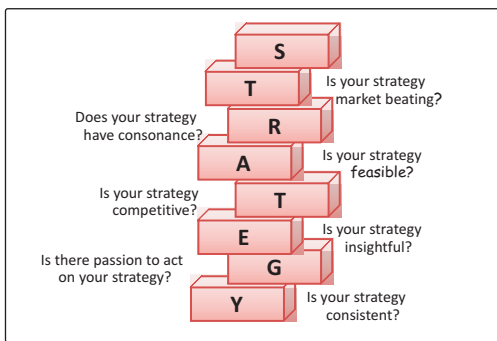
highlights differences among players instead of being one among many. Organizations are purposeful and yet most struggle in the areas of formulating and putting their strategies into action. The key is to see the big picture, that is, to see how the organization and the competitive environment fit together.

Changing environments and challenging customers make it imperative for organizations to identify those markets in which their company's capabilities can yield a competitive advantage. Defining and understanding the segments correctly is one of the most critical things an organization can do to improve its strategy. Thoroughly understanding direct competitors, budding substitutes, and forthcoming entrants is another. While assessing how the strategy positions the organization in its actual and potential marketplace, identifying distinctive capabilities and surrounding them with a collection of complementary assets are other dimensions. Distinctive capabilities, ones that an organization does especially well; should be scarce outside and must be critical to an organization's profits and growth. For example, a pharmaceutical company's distinctive capabilities may lie in innovations like New

Drug Delivery Systems or Contract Research Manufacturing Services or APIs or generics.

## 2. Is your strategy consistent?

Practice what you preach. Ask if your strategy provides coherence to the directional goals in the long-run. Evaluate your strategy for constancy and viability with the vision, goals, policies, and systems of your organization. The top hierarchy should have a clear consistent understanding of where the organization stands & what the service/product offerings are. The strategy should not create conflict between the values of the internal stakeholders' and the organization's deliverables to the external stakeholders.



## 3. Does your strategy have consonance?

No lone strategy can last perpetually, and any strategy needs to be assessed on an ongoing basis to check its relevance. New trends are bound to emerge. A flexible strategy enables an organization to scrutinize the panorama of change in the likely future. One gets ready to lead the change rather than to linger unreceptively for the market forces to do it. Check if the strategy is in harmony internally as well as with the external environment. One needs to be objective and flexible to realize if the strategy is no longer appropriate as it was first conceived, and whether it needs revision or replacement.

## 4. Is your strategy feasible?

Strategy is much more than just tabulating the targets and goal sheets in an air-conditioned environment. The finest strategy for any organization is a strategy it can execute! Discussions on strategy often ignore the execution factor. Best of strategies die if no constructive action occurs. A robust strategy

requires hard, fact-based, logical information for it to be actionable and pragmatic. Ensure that your strategy neither exploits resources nor underutilizes them.

## 5. Does your strategy map the true source of competitive advantage?


Is your strategy merely target-oriented or does it give a cutting edge to your employees across hierarchies? Mismatched capabilities and inadequate execution can all play a part in eroding an organization's sustainable advantage. One needs to constantly assess which special capabilities are becoming vulnerable. With fierce competitors seeking to create points of parity and differentiation, there is every reason to believe that competitors will exploit points of vulnerability.

## 6. Is your strategy insightful?

A robust strategy demands a perfect blend of facts and intuition. Do not fail to examine the assumptions, explicit and implicit, behind a time-honored business model. Check if they still fit the current environment. Most of the times the data required is easily available to foes. Simply analyzing the available data distracts attention from where insight-based advantage lies. To spearhead the growth of your organization, ask if your strategy is supported by validated market insights and transformational business directions.

## 7. Is there enough passion to act on your strategy?

A strategy cannot depend too sturdily on objectives nor can it focus too heavily on competition. A bigger perspective is needed to make the strategy healthier and that is Serving the Customer! Passion is the most crucial success tool in making any strategy robust. Ask how deep the commitment to your strategy is at all levels in the organization.

The fundamental premise of a strategy is goal accomplishment through the best possible deployment of human and material resources to achieve survival, stability, growth, profitability, and, most critically, to have a decisive advantage over competitors. Measuring the robustness of your strategy becomes a must then. Above all, keep the strategy simple and get it right! 

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