

February 2013 Edition

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## Are You Still Struggling With Uncertainty?

We can all agree that the level of uncertainty in today's business environment is high and most likely will be no less in the future. Faced with ongoing uncertainty, we are seeing many business owners and CEO's dismissing the value of strategy because they believe it's too static. In many cases these leaders have the wrong view of strategy... They see it as predicated on past performance and documented in a large binder gathering dust on a shelf.

### Strategy Means Making the Best Possible Choices

In this uncertain business environment, strategy needs to be about making predictions (bets) on what customers will need, how competitors will act, what your company should be capable of doing, and what the economy will do. However, none of these bets can be guaranteed. Once leaders have made their decisions, they must watch what happens and update the strategy assumptions based on the newest information. As Roger Martin ([www.rogerlmartin.com](http://www.rogerlmartin.com)) states in his January 2013 Harvard Business Review Blog Post, "Strategy means making the best possible choices you can make today and then being responsive when the bets do or do-not come in as you hoped."

### Strategy Provides a Picture of a Future State

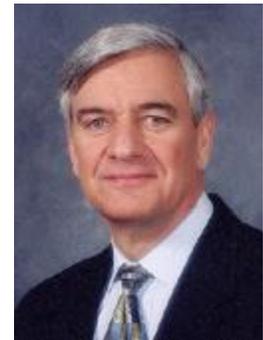
Strategy is the result of the choices you make. In his May 2010 HBR blog post, Roger Martin suggested you begin by asking yourself these 5 questions:

- What is our winning aspiration?
- Where will we play?
- How will we win?
- What capabilities need to be in place?
- What management systems must be instituted?

By identifying key bets needed to realize the desired future state and then monitoring how bets actually evolve, adjustments to future state assumptions can be made. As a result, your attention will be on continuously making your bets better.

### Embrace Uncertainty

By changing your perspective on strategy, your organization will



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"Plans are useless, but planning is everything."

President Dwight D. Eisenhower

embrace uncertainty. Instead of just letting the future play out, you will actively watch to see whether your future bets are playing out. Updating your strategy will become easier because the desired future state you developed will provide the structure to effectively act on new data and knowledge over time.

### Adaptive Strategy

Dana O'Donovan of the Monitor Institute calls this approach adaptive strategy. Just as manager's value employees with adaptable behavior, organizations should value an adaptive strategy.

We hope this fresh perspective on strategy has challenged your current views. What are your thoughts on dealing with uncertainty? If you would like to learn more about how strategy can help your organization embrace the uncertainties of today's business environment, give us a call.

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## **AlbuInfo**

Albu consulting is a strategy consulting firm focused on engaging and energizing leadership teams to formulate robust business strategies and follow through on execution of key strategic initiatives. Our mission is to help our clients achieve and strive to exceed all their business objectives. We do this by establishing strategy management as an organizational competency and part of everyone's day-to-day responsibility. We work collaboratively with goal driven, proactive CEOs of middle market companies that are open to new ideas and passionate about increasing the value of their businesses today and tomorrow.

To learn more, call us for a free consultation. For more information about Albu Consulting, visit our website at <http://www.albuconsulting.com/>.

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