

What's Happened To Strategy?

*How issues like climate change and social mission
are reflected in strategic marketing*

By Kathleen M. Hosfeld

Are strategic marketing and strategy-formulation approaches keeping pace with the sweeping changes brought by new focus on climate change, and the more subtle consumer and employee expectations concerning social and other environmental concerns?

A Process of Reflection and Analysis

In some sense, the way we approach organizational strategic planning hasn't changed at all. Research continues to show what Michael Porter suggested years ago – that companies that are not profitable are those that lack a clear strategy – is still true. Clear strategy with strong implementation still means greater profitability.

It's also still true that developing an organizational strategy requires a thorough analysis of competitors, customers and one's own company or organization in the context of changing market forces. It starts with a current state assessment of all three, followed by an analysis of opportunities relative to what you want to accomplish, and finally by formulation of approaches that overcome problems or obstacles that might hold your organization back.

Robust strategy development still includes looking at the three dimensions using various strategic "lenses" and comparing results, rather than using only one tool or planning approach that may have popular currency.

One other thing that hasn't changed is that the planning process itself and its ability to teach people how to think strategically is more beneficial than the written plan that may result.

So What *Has* Changed?

What has changed is that the number of factors that are evaluated in the strategic process have increased, and decision-making has therefore become more complex.

Consumer expectations/perceptions about value have changed. Our colleague, Jenny Mish, Marketing Instructor at University of Utah, notes that it used to be that consumers made purchase decisions primarily on the basis of cost and various aspects of utility (product performance, location). Consumers now also care how products are made, by whom, under what conditions, and with what materials. They are concerned about where the materials come from and where the products can go when consumers are done with them. While most purchase decisions are still made on the basis of price and utility first, they are now made in an increasingly complex context of emotional and ethical considerations.

Another thing that has changed is that many people -- both young and older workers and managers -- want their workplace to serve a greater good. Perhaps they have always wanted this, but what's changed is that they feel the right to expect it now. A noble purpose and an ethical environment attract high performing executives, while a positive social environment and a sense of belonging help



retain skilled non-managerial employees. So, as a company evaluates its long-term competitive position and opportunities for growth, there's an added criteria. We must add a sense of mission and values where previously the criteria focused on maximizing profitability and competitive sustainability.

What Can We Do?

Although it may also be true that our strategic planning models need updating, a useful place to start is to examine the assumptions we make when we use them. Updating our approach to planning for today's new challenges can start with adding these questions to our processes:

- ◆ Has our past strategic planning overlooked or omitted important factors that are emerging?
- ◆ To what extent are new market factors the basis for a new business model, product or service versus values that must be integrated into our philosophy and culture?
- ◆ What are other organizations like ours doing to address social justice and environmental considerations?
- ◆ What companies in our industry are making a difference in addressing community or world issues?
- ◆ What environmental or social regulatory or public policy considerations may change our competitive landscape or operating environment?
- ◆ What are our customers telling us or what would they like to tell us about their concerns for these issues, particularly climate change?
- ◆ Are we afraid that social justice and environmental stewardship will increase our costs (taking action in these areas often reduces costs and risks)? Can we afford not to address these issues?
- ◆ What aspect of our work creates pride among our employees? How can we amplify this benefit?
- ◆ In what ways might we create a more supportive, positive environment for employees?
- ◆ How are we aligning the kind of questions above into day-to-day marketing?

Embracing new levels of complexity is emerging as one of the success skills for organizations in today's dynamic environments. These questions will help open up assumptions and bring important issues into consideration, as our organizations plans for the future.



Kathleen Hosfeld is the President of Hosfeld & Associates, Inc. Since 1989, Hosfeld & Associates' marketing expertise and services have launched, grown and inspired visionary for-profit and non-profit organizations and projects. We help clients think more clearly and boldly about their goals. We provide the skills and resources clients need to implement breakthrough strategies for profitability, service, and contribution. For more information, please visit <http://www.hosfeld.com>

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