

Strategy CoPilot[®]

Summary of Learning Objectives

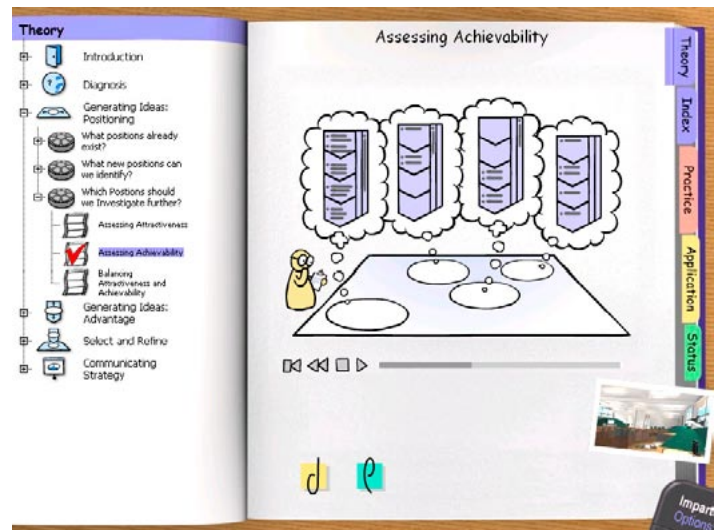
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Tutorials

The theory content of Strategy CoPilot® divides into five major sections, which follow the key steps in the strategy development process.

1. **Introduction:** (incorporating an introduction to the use and objectives of Strategy CoPilot®). An overview of key strategic concepts and useful problem solving tools such as issue analysis and techniques for breaking down complex questions.
2. **Diagnosis:** Understanding the financial and non-financial objectives of the company, the attractiveness of the current competitive position (including the competitive forces at work) and the extent to which the company is meeting customer needs; assessment of current competitive advantages and their sustainability, and how the situation might change in future.
3. **Generating Ideas – Positioning:** Thinking through new customer needs, or combinations of needs which might be served; a hybrid creative/analytical approach to identifying new positions; assessing the attractiveness of the new positions and shortlisting positions for further investigation.
4. **Generating Ideas – Advantages:** Thinking through a number of discrete approaches to building competitive advantages to support the identified positions, including internal performance improvement, using alliances to develop advantages, and pushing back against the competitive forces.
5. **Selecting and Refining the Strategy:** Selecting the strategy under uncertainty, developing a 'strategic staircase', understanding financial implications, planning implementation steps, and understanding and addressing barriers to implementation.

The principles underlying each step in the process are taught using Imparta's proprietary animation approach, and supported by detail pages, case studies and interactive exercises to help consolidate the learning and provide additional depth (there are 56 animations in total, and 160+ detail pages, examples and exercises). The content is indexed to enable easy reference for the user as they apply the concepts to their everyday work. The cartoon style and use of humour keeps the user engaged, and has been specifically designed to improve retention and recall vs. traditional e-learning approaches.



Simulation

The simulation provides real time experience of the thought processes involved in strategy development, and an opportunity to practice the tools learned using the tutorials. The setting is Acme Bottle, a poorly performing bottle manufacturing company. The user is cast as an internal consultant charged with making a decision on the company's future. The company is richly simulated, with a management team and a range of customers, suppliers and advisors. Through a mix of interactive interviews and debates, research and qualitative and quantitative analysis, the user develops a set of recommendations on the future of the company, encountering internal politics, difficult characters and 'red herrings' along the way. The simulation covers a large number of learning objectives, but none more important than the ability to answer the question 'what on earth should I do next?'. In particular, the non-linear nature of the simulation allows users to make (and learn from) failures of omission.



The virtual 'mentor' coaches and advises the user on each situation in the simulation. The level of intervention can be set by the user to enable the right level of coaching to be delivered. The programme also monitors the user's responses throughout the simulation, and will adjust the level of coaching, if necessary, to keep the user in their 'learning sweet spot'. At the end of each phase, the user receives tailored feedback, not only on their recommendations, but also on such issues as the efficiency of their approach, the degree to which they kept key stake holders informed, and the clarity of their communication.

The simulation is divided into five phases, which follow the same conceptual structure as the tutorial. In outline:

- 1. Phases 0 and 1:** An introduction to Acme Bottle and its competitive context, based on the issue of whether the parent company should accept a bid for the division. In answering this question the user is also encouraged to diagnose the current issues around Acme's positioning and sources of advantage. The user gathers data through interviews with the management team and an outside broker, and is guided in their problem solving and communication efforts by the Mentor.
- 2. Phase 2:** In this phase the user develops ideas for new competitive positions for Acme. They interview a range of customers to understand their needs, and then work with the management team to turn this data into a needs-based segmentation. Mapping competitors onto this segmentation identifies potential new positions for Acme to serve. The programme then generates a long list of possible positions using the creative idea generation techniques in the theory section and the phase finishes with an initial assessment of the relative attractiveness and achievability of a shortlist of these options.

3. Phase 3: The next phase revolves around investigating how Acme can develop or strengthen the capabilities it needs in order to serve the favoured competitive positions. Again, users must ensure they are asking the right questions to elicit valuable insights, and they practice a range of powerful techniques for generating ideas about competitive advantage. On the basis of these findings, the user may adjust their previous analyses of the attractiveness of potential new positions. However, the pressure is now building from the CEO of the parent company. In this and the final phase, the user must keep their team happy and involved, as well as ensuring thorough consideration of the key issues.

4. Phase 4: In the final phase the user selects and presents the chosen strategy for Acme Bottle, and lays out the initial outline for the key steps to implementation. This includes understanding the financial implications of the strategy, as well as identifying internal barriers to implementation and the implications of uncertainty. As in real life, there are political and emotional challenges as well as analytical issues to address.

Many of the learning objectives set out in this document are not exactly of the format that a traditional instructional designer might use. This is because we are aiming to impart skill and behaviour, instead of just knowledge and understanding. Thus, a typical traditional learning objective might read:

“the ability to describe the problem-solving process, and to distinguish between an issue, a hypothesis, an analysis and a conclusion”.

This objective has the advantage of being easily testable, but understanding how a process works does not mean you can actually do it. So our first learning objective below is:

“The ability to identify the key issues in a complex situation; the ability to select an analysis to resolve each key issue; the habit of asking ‘so what’ about each analysis in order to resolve existing issues and identify new ones”.

This type of skill-based learning objective is much harder to test (and to achieve), but much more relevant to the workplace.

Strategy CoPilot®: Learning Objectives

Phases 0 & 1: Introduction and Diagnosis

The primary learning objectives of Phases 0 and 1 include being able to define and tackle complex issues in a structured way, and being able to conduct a rapid scan of a company's competitive positioning and competitive advantages, and any future changes that may affect either. The main goal of the phases is to identify the right questions to ask - though the strongest users will also develop a hypothesis about the likely answer.

Skill Area	Skill/Behaviour to Build
Problem-solving in a strategic environment: Overall	
It's very hard to answer a question without knowing what it is...	The ability to identify the key issues in a complex situation; the ability to select an analysis to resolve each key issue; asking 'so what' about each analysis in order to resolve existing issues and identify new ones
Issue disaggregation	The ability to break a complex question down into manageable sub-questions and to select the most important sub-question to answer first
Answer the question as efficiently as possible	An ability/willingness to use "back of the envelope" tools to narrow down likely solutions quickly
Make the most of internal resources as well as external research tools	Using a range of resources to help define the problem & get out into the field early
Strategy should be driven by a balance of analysis and insight	Avoiding over-reliance on unsubstantiated opinions and single data points
Understanding objectives and constraints	
Different corporate objectives - e.g. short vs. long term, ROS vs. shareholder value, profit vs. market share - will lead to different solutions.	Ability to sanity-check different statements of objective; knowing who to ask; questioning skill
Objectives may be non-financial as well as quantitative; may need to be persistent in uncovering real objectives	Ability to 'keep questions in mind' during data gathering. (i.e. if thinking about non-financial objectives, more likely to pick up clues)
There may be constraints on the acceptable solutions to any problem	The habit of testing new ideas against constraints; judgement about when to challenge the constraints

Skill Area	Skill/Behaviour to Build
Basic strategy framework	
What is a strategy?	Ability to take disparate statements about strategy and formulate a clear statement of what the strategy actually is
Assessing competitive positioning	
Are we meeting customer needs?	Thinking to ask if we still understand customer needs properly or if things have changed (failure is usually omission rather than error)
	Deciding if the elements of competitive positioning are aligned
Which are the most important competitive forces?	Ability to interpret data to complete a correct Porter's Five Forces analysis, and more importantly to say "so what" (i.e. determine which are the strongest forces and which ones are changing). Identify which forces vary most across the industry (as the basis for assessing attractiveness later on)
Are we stuck in the middle?	Understanding the dangers of being stuck in the middle between conflicting competitive positions
	Not misinterpreting the signals of stuck in middle as something else
	Ability to recognise patterns of how strategies can go wrong over time
Assessing competitive advantages	
Do we have advantages vs. competition?	The ability to test a suggested advantage for relevance, scarcity and sustainability
	Ability to scan a company's value chain for possible other sources of advantage; remembering to do so
Assessing future challenges/opportunities	
PEST framework (political, economic, socio-demographic and technological shocks to the industry)	Ability to assess future changes, and hypothesise their impact on strategy (needs and advantages)
Communication	
No surprises	Syndicating major ideas with key stakeholders before a major strategy presentation (again generally more a failure of omission rather than action)
Communication structuring	The ability to create a hierarchical presentation where ideas are presented in a clear structure with main messages given up front. Experience of using both list and story structures

Phase 2. Generating Ideas: Competitive Positioning

Phase 2 focuses on understanding the potential competitive positions in an industry, and being creative about new positioning ideas.

Skill Area	Skill/Behaviour to Build
Problem-solving in a strategic environment: Part II	
Using hypotheses	Using hypotheses to reformulate open questions as closed ones (open questions don't form a very good basis for task planning... closed questions give a better indication of how to answer them, and when you've answered them)
What existing positions are there?	
Overall industry segmentation process	An understanding of the purpose and process of industry segmentation
Conducting business customer interviews	The habit of testing/researching what customers want, rather than relying on old data or opinions
	Making sure you're talking to the right people i.e. someone who understands the decision-making process & criteria, plus a wider view of the business so you can get to more subtle needs
	Not talking to the most important customer first; 'going to school' on less important accounts
Identifying business customer needs	Not relying solely on asking customers directly what they need (many customers don't know, and many have latent needs that they may not recognise until the solution comes along)
	Understanding the customer's business system and key success factors to identify how the company could reduce their costs and/or increase the value they deliver to their customers. Thinking not only of what your products & services could do, but more generally how your assets, capabilities & relationships can create value for your customers
	Focusing particularly on those areas that contribute to your customer's own sources of competitive advantage
	Focusing on those areas that are likely to be strategically significant
	Probing to uncover information that will help to quantify the benefits that might be offered

Skill Area	Skill/Behaviour to Build
Prioritising needs	Understanding the importance of prioritising customer needs to gain strategic insights. The ability to single out needs that are important (high economic value to customer) and difficult to satisfy (depend on a scarce resource, a specific asset that's hard to copy, a complex capability, or a strategic relationship)
Constructing a segmentation	The ability to combine needs that rely on similar or mutually exclusive capabilities, in order to create segmentation axes
	An understanding that multiple segmentation schemes may be necessary; the ability to combine multiple matrices by identifying null cells in multiple matrix solutions
	An understanding of where to find competitive data and the ability to plot competitors on a segmentation matrix to identify possible gaps
	An understanding that if competitors fall in a straight line down the middle, then the axes are correlated -think again!
What new or improved positions can we identify?	
Overall	Not sticking at the basic segmentation; pushing for creative ideas for new positions to take
New combinations of needs	Using the prioritised customer needs to plot the performance of our products against the industry norm. Deciding if one increase or reduce the level to which certain needs are met, to create new positions
Up & down the industry value chain	Looking for industries up & down the value chain that are attractive (using profitability as a first measure) and achievable (i.e. fit with the company's capabilities)
	Also considering vertical integration if there is Vertical Market Failure (or a very attractive position elsewhere in the value chain). If no fit, exploring ways of quasi-integrating, e.g. long-term contracts & alliances
Positioning as a substitute	Considering whether the company could compete more actively in the 'home markets' of substitute products and services
	Thinking of other applications where the company's product could act as a substitute. Looking beyond the obvious to the fundamental functions performed by the product, service or even organisation, and identifying new needs that could be met with this functionality
Positioning against complements	Looking at what else customers spend money or time on when they are buying or using the product. Consider providing these complements, or redesigning the product/service to reduce the need for them or make them unnecessary

Skill Area	Skill/Behaviour to Build
Redefining the customer	Identifying the people involved in buying and using the product. Examining the needs of the buyer, the end-user, the channels and the people who influence the buying decision, in order to uncover innovative competitive positions
Which positions should we investigate further?	
Assessing attractiveness	The willingness/ability to make a 'first-cut' assessment of attractiveness, for all positions identified, using the results of phase 1 to take shortcuts
	Saving time by focusing on changes from the baseline 5 forces analysis, and only on the most important/most variable forces
Assessing achievability	The willingness/ability to make a 'first-cut' assessment of fit with our sources of competitive advantage and resources, using the results of phase 1 to take shortcuts
	Looking beyond capabilities & other resources that the company currently has to ones that it could reasonably expect to build. Being realistic in this assessment
Balancing attractiveness and achievability	Using the attractiveness/achievability matrix to select one or two potential positions (or extensions to/evolutions of existing position) to investigate further
Communication	Developing and communicating strategy through involvement – engaging the management team

Phase 3. Generating Ideas: Competitive Advantage

Phase 3 is all about understanding the potential options available for competitive advantage, with particular emphasis on capabilities needed for several of the positions identified at the end of Phase 2.

Skill Area	Skill/Behaviour to Build
Managing others in the strategy process (c.f. doing it yourself)	
Using hypotheses	The habit of prioritising data collection by always knowing why you are looking for something
Delegation	Recognising that all team members might have valuable knowledge; Accepting other people's work, but not unquestioningly; Recognising sensitivities and manage them; developing skills in constructive coaching

Skill Area	Skill/Behaviour to Build
Building competitive advantages	
Strengthening the value chain	Identifying which parts of the company's value chain interact, and what opportunities there might be for improving their interaction (secondary: internal interviewing skills)
	Optimising linkages with customers and making trade-offs.
	Understanding the real capabilities needed.
	Benchmarking against companies that are world class in the field; understanding that companies outside the industry might offer the best insights
Building dynamic resource systems	Understanding that sources of advantage do not exist in a vacuum, nor are they static. Ability to identify key linkages and delays in the system, and to think about the implications for how the system should be managed over time.
Using partnerships & alliances to create advantage	Recognising partnerships as a potential mechanism to create advantage.
	The ability to/habit of thinking through whether an alliance is the right route & evaluate whether a company is the right partner.
	The ability to look broadly for potential partners including among producers of complements.
Working around competitors' strengths	The ability to recognise (precisely) a competitor's sources of advantage. The ability to use the WITI tool to think of ways to work around competitive strengths
Exploiting around competitors' weaknesses	Understanding the importance of competitor weaknesses, and the ability to recognise them. Experience of various ways of exploiting the opportunities they present.
Pushing back against; <ul style="list-style-type: none"> • the competitive forces • buyer power • supplier power • substitutes, and • new entrants 	Understanding the concept of 'pushing back' against the 5 forces. Ability to identify key approaches, and experience of idea generation in each category.

Phase 4. Selecting and Planning the Strategy

Phase 4 is about selecting and refining the strategy, including some thinking on the key issues of implementability. The starting point is the shortlist of feasible positions and advantages built up by the end of Phase 3.

Broadly, this phase builds capability in three skill areas: Selecting a strategy under uncertainty, planning a phased implementation approach, and understanding the financial implications of the strategic choice (including sensitivity analysis). There are also a number of learning points about the role of leadership and communication in managing change.

Skill Area	Skill/Behaviour to Build
Selecting a strategy	
Refining the assessment of attractiveness and achievability	Incorporating all insights from the previous two phases into a final shortlist of positions
	Understanding political and emotional implications of selection
Taking account of uncertainty	Identifying major sources of uncertainty that would affect the choice between short listed strategies
Horizontal linkages	Recognising that some competitive positions are mutually exclusive, while some are mutually reinforcing.
Selecting a strategy	<p>The ability to select positions that are mutually reinforcing, while creating and maintaining options to compete in positions that may become attractive in the face of uncertainty, including:</p> <ul style="list-style-type: none"> • Creating the capability to pursue two/three reasonably likely but slightly different outcomes • Understanding that pilots can be used as learning opportunities for initiatives which have a specific but 'un-analysable' uncertainty • Recognising when sharing costs of investment in particularly expensive developments may be mutually beneficial
Understanding the financial implications of shortlisted options	Translating reasonable predictions into numbers and assessing what they mean
	Employing all useful inputs to create a robust projection (analogies from similar projects/businesses, projections from good brokers/ other reputable forecasters)
	Recognising the most important numbers (an extension of the 'back of the envelope' approach)
Planning the implementation	
Planning the steps on the strategic staircase	Working backwards from the goal

Skill Area	Skill/Behaviour to Build
	Breaking down the challenge into achievable steps
	Identifying an appropriate sequence of steps (i.e. what capability to build when)
	Prioritising which customer needs to serve first, based on how assessment of priority for the customer
	Choosing which capabilities to build first based on an understanding of which capabilities serve as foundations for others
	Defining appropriate targets and key performance indicators for each step on the staircase
	Building the target KPI levels into the performance management process (i.e. into managers' incentives and into budgets and business performance reviews)
Assessing readiness for change (including predicting internal reactions)	Thinking through 1) who the key stakeholders are, 2) what changes will be required from them and 3) understanding their willingness and ability to adopt the required changes
	Planning explicitly to address any major issues raised by the analysis above
	Identifying and stabilising key people and constituencies which are critical to implementation
Communicating the strategy	Syndicating conclusions with stakeholders before' public 'announcements or reviews (no surprises)
	Telling them what you are going to tell them (no suspense)
	Creating a hierarchical set of arguments and supporting detail
	Thinking about your audience to establish what form of the message and what level of detail you should use
	Creating a 'story' that is compelling and interesting