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Identifying Strategic Priorities for Market Leadership Planning

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The development of an integrated plan for market leadership requires the identification of strategic priorities. Strategic priorities may be defined as the critical business and operations issues that have a significant impact on the business both in the present and into the future and need to be addressed as a priority. At an enterprise / organization level strategic priorities need to be identified in the areas of strategy (i.e. Direction & focus), finance (i.e. cash resources) and capabilities (i.e. What the organization needs to be able to do through the combination of people, process and systems?). An outline of this process is presented in Figure 1.

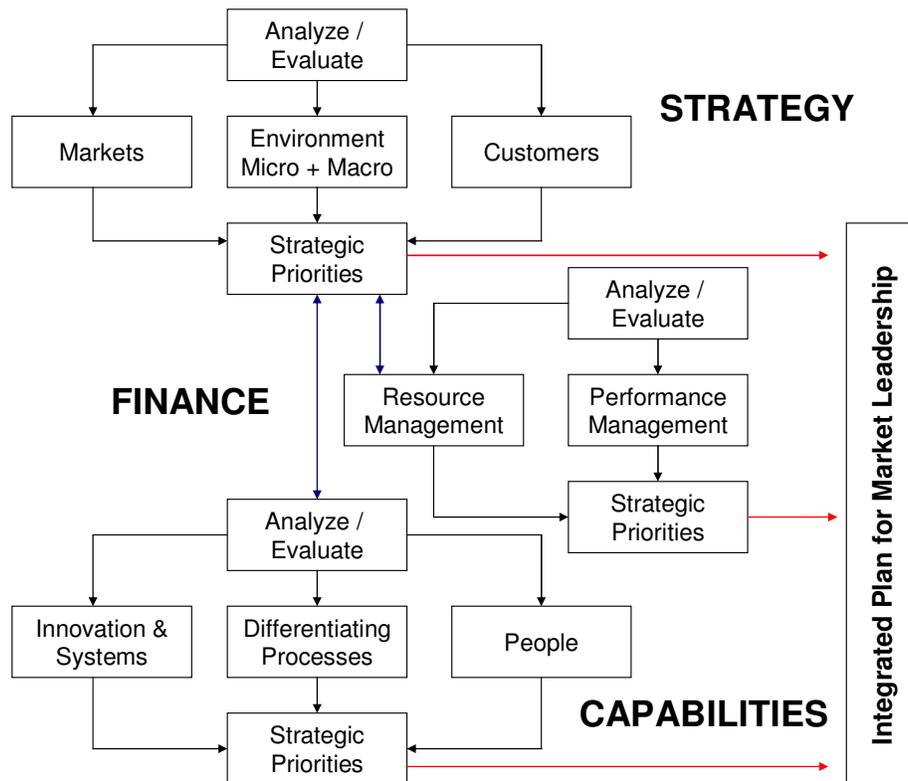
The process framework presented in Figure 1 may be divided into three broad sections:

- **Strategy** – this part of the framework identifies the major elements that need to be addressed linking the organization to the environment, market and customers.

- **Finance** – this part of the framework identifies the major elements that need to be addressed relating to resource management in terms of needs analysis, allocation and performance.
- **Capabilities** – this part of the framework identifies the major elements that need to be addressed relating to building the operational capabilities required to deploy the strategy. Capabilities here integrate people and processes to facilitate the delivery and capture of value.

The finance and capabilities components are driven by the strategy component. This link is represented by the dual arrow lines linking the strategy component to finance and capabilities components. Each of the 3 components from the framework in Figure 1 is described in more detail in the rest of this paper.

Figure 1 Process to identify strategic priorities



Strategy component - The strategic priorities under this component aim to identify a list of challenges (weaknesses and threats) and opportunities that the organization needs to address for improved competitiveness and business. The process should commence with an analysis and evaluation of the market or industry, customers both existing and potentials and broader environmental factors at the macro (e.g. Political, Legal, Economic, Social, Cultural, Environmental and Technological) and micro level (e.g. Stakeholders, Suppliers, Partners, etc.). A sample of some of the tools that may be used at each step of the process is presented in Figure 2

Figure 2 Sample tools for steps under the strategy component

Elements	Possible Tools
Market Analysis	Porter's five forces, Competitor analysis, Value chain analysis, etc.
Customer Analysis	Market positioning maps, KANO analysis, Co-joint analysis, etc.
Environment Analysis	PESTAL, SWOT, 7S Framework, etc.

Finance component - The strategic priorities under the finance component need to be identified through a disciplined process to review the financial resources of the organization. The analysis and evaluation needs to be done for working capital, fixed asset and capital investment needs of the business. A sample of some of the tools that may be used for each step of the process is summarized in Figure 3.

Figure 3 Sample tools for steps under the finance component

Elements	Possible Tools
Resource Analysis & Evaluation	Annual & multi-year operational & growth capital investment budgeting, ROI Tree, Cashflow analysis, etc.
Resource Performance Management	Financial ratio analysis, NPV, IRR, Payback, Vertical and horizontal analysis, etc.

Capabilities component – The strategic priorities under the operations capabilities relate to the knowledge, skills, experiences and behaviours required to address the strategic priorities identified under the strategy component. Capabilities in terms of product and business model innovation, business process design and human resource competencies. A sample of some of the tools that may be used for each step of the process is summarized in Figure 4.

Figure 4 Sample tools for steps under the capabilities component

Elements	Possible Tools
Innovation & system	TRIZ, TOC, ERP, CRM, Business Model Canvass, etc.
Differentiating processes	LEAN, Six Sigma, Complexity Management, etc.
People capabilities	Training and development, Coaching, Mentoring, Recruitment, Career development, performance management, etc.

Once strategic priorities have been identified for the three components of strategy, finance and capabilities, specific goals / target outcomes need to be defined and action plans developed. The identification of strategic priorities is critical and ensures that further planning efforts do not loose sight of immediate improvement priorities required for market competitiveness.

- The End -

*About the Author: **Dr Fernando Kevin Vince** has more than 20 years of industrial experience. He is currently the Chief Operating Officer of Global Multinational with revenues in excess of US\$500 million in revenue and operating in more than 21 countries. He holds three doctoral degrees, is the author of 7 books, published more than 20 articles in various industrial journals and a regular speaker at regional conferences.*