

28. Strategy Hourglass

Which steps do I need to take to come up with a strategy?

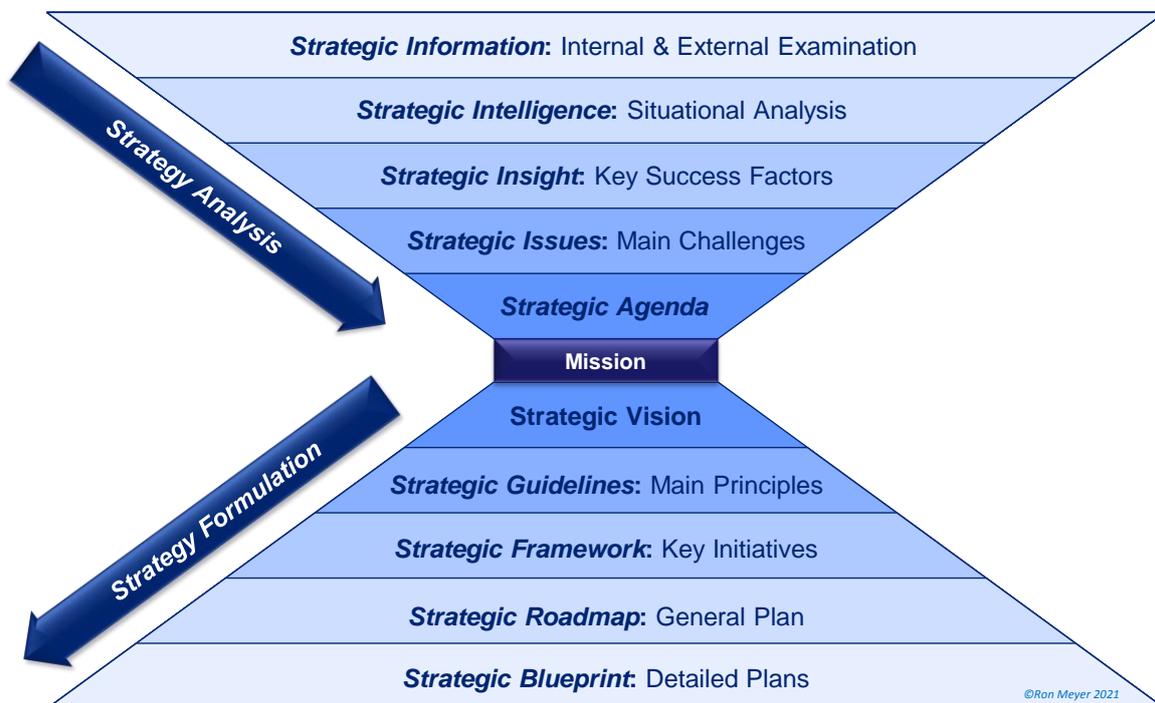
Key Definitions

Strategy is the course of action pursued by an organization to realize its mission. To achieve a sensible pattern of action, organizations generally reflect on the situation they are in (*strategy analysis*) and then determine a plan of action they want to follow (*strategy formulation*).

Engaging in strategy analysis and formulation can be time and energy consuming, while also slowing down decision-making. Therefore, strategists always need to consider which strategy-making steps are essential and where the strategy process can be more streamlined.

Conceptual Model

The *Strategy Hourglass* outlines all ten steps that organizations might potentially want to go through to come up with a detailed strategic plan. There are five analysis steps and then passing through the filter of the mission there are five formulation steps. The metaphor of the hourglass is intended to convey the amount of time that will pass if all ten steps are part of the process, with the steps at the very top and bottom taking long, while those near the middle can be done more quickly. The underlying message is to keep the strategy process as lean as possible by focusing on the center and not getting lost in the periphery.



Key Elements

The ten steps of strategy-making are the following:

1. **Strategic Information.** The first step is to widely collect information on all developments inside and outside the organization. This information can be readily available from internal and external sources but can also involve doing active research.

2. **Strategic Intelligence.** The second step is to interpret this strategic information, to draw conclusions about the situation the organization is in. Strategists will want to understand what should be seen as opportunity or threat, and what as strength or weakness.
3. **Strategic Insight.** The third step is to infer how the opportunities, threats, strengths, and weaknesses interact with one another to shape the rules of the competitive game and to weigh what might have the highest impact on success or failure.
4. **Strategic Issues.** Once the key success factors are clear, the fourth step is to deduce which challenging topics need to be dealt with, either because they present a danger to success or because they present a route to achieve success.
5. **Strategic Agenda.** As not all issues can be addressed at the same time, the fifth step is to prioritize the key issues and to focus the attention of the strategists on formulating a strategic answer to this shortlist of topics.
6. **Strategic Vision.** The sixth step is to formulate a big picture answer to the issues on the strategic agenda, within the context of the mission. This rough sketch of a long-term solution will be short in details, but needs to be coherent, attractive, and attainable.
7. **Strategic Guidelines.** With a strategic vision determining the overall direction, the seventh step is to formulate some general principles that will guide to organization to get to the vision. These are the main pillars or routes to achieve the vision.
8. **Strategic Framework.** The eighth step is to outline the major initiatives that will form the steppingstones along each of the routes to the vision. Together these steppingstones (or building blocks) represent a consistent framework for realizing the vision.
9. **Strategic Roadmap.** The ninth step is work out each initiative (or project) into more detail, determining the major activities, general milestones, main responsibilities, and required budgets. This is about broad-stroke planning.
10. **Strategic Blueprint.** The final step is to translate each of the strategic roadmaps into comprehensive plans detailing all activities, timings, responsibilities, and resources. Blueprints need to be SMART (specific, measurable, actionable, realistic, and time-bound).

Key Insights

- **Strategy-making involves analysis and formulation.** Anyone making a strategy needs to go through the steps of analysis and formulation, although not necessarily in the simple linear order presented here (see model 13, Strategy Development Cycle, as alternative).
- **Strategy analysis is about condensing.** The main challenge of strategy analysis is to avoid drowning in the sheer endless amount of internal and external information and to consolidate it into an increasingly more valuable understanding of the situation. Each step in the analysis process is about condensing and enriching information.
- **Strategy formulation is about expanding.** The main challenge of strategy formulation is to avoid coming up with a long list of incoherent initiatives. It is important to start with a strategic vision that is internally consistent and answers the strategic agenda. Each step in the formulation process is then about expanding and detailing these core ideas.
- **Time investment differs per step.** The first two and the last two steps require an exponentially higher amount of time and energy to complete than all others, significantly slowing down strategy-making and testing the patience of everyone involved.
- **Strategy-making can be leaner.** Starting with the strategic issues or even the strategic agenda can speed up the process. Time can also be saved by not working out all initiatives into roadmaps or blueprints. Smart strategists seek ways to pragmatically cut corners.

Meyer's Management Models

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Publication Schedule

<i>July 2019</i>	<i>Mind the Gap Model</i>	<i>Change Management</i>
<i>August 2019</i>	<i>Digital Platform Map</i>	<i>Digital Strategy</i>
<i>September 2019</i>	<i>Interaction Pressure Gauge</i>	<i>Interpersonal Interaction</i>
<i>October 2019</i>	<i>Revenue Model Framework</i>	<i>Revenue Model Typology</i>
<i>November 2019</i>	<i>House of Engagement</i>	<i>Organizational Engagement</i>
<i>December 2019</i>	<i>Confidence Quotient</i>	<i>Trust Building</i>
<i>January 2020</i>	<i>Competition Tornado</i>	<i>Competitive Strategy</i>
<i>February 2020</i>	<i>11C Synergy Model</i>	<i>Corporate Synergy Management</i>
<i>March 2020</i>	<i>Leadership Fairness Model</i>	<i>Leader-Follower Interaction</i>
<i>April 2020</i>	<i>Strategic Agility Model</i>	<i>Strategy Process Approach</i>
<i>May 2020</i>	<i>Control Panel</i>	<i>Corporate Control Dimensions</i>
<i>June 2020</i>	<i>Rising Star Framework</i>	<i>Talent Management</i>
<i>July 2020</i>	<i>Strategy Development Cycle</i>	<i>Strategy Process Steps</i>
<i>August 2020</i>	<i>7I Roles of the Corporate Center</i>	<i>Corporate Organization</i>
<i>September 2020</i>	<i>Storytelling Scripts</i>	<i>Leadership Communication</i>
<i>October 2020</i>	<i>Strategic Bets Framework</i>	<i>Strategic Decision-Making</i>
<i>November 2020</i>	<i>Rebound Model of Resilience</i>	<i>Organizational Resilience</i>
<i>December 2020</i>	<i>4C Leadership Capabilities</i>	<i>Leadership Competences</i>
<i>January 2021</i>	<i>Digital Product Model Dial</i>	<i>Digital Strategy</i>
<i>February 2021</i>	<i>Digital Distribution Model Dial</i>	<i>Digital Strategy</i>
<i>March 2021</i>	<i>Empowerment Cycle</i>	<i>Employee Empowerment</i>
<i>April 2021</i>	<i>Innovation Box</i>	<i>Innovation Approaches</i>
<i>May 2021</i>	<i>Knowledge Sharing Bridges</i>	<i>Best Practice Sharing</i>
<i>June 2021</i>	<i>Followership Cycle</i>	<i>Leader-Follower Interaction</i>
<i>July 2021</i>	<i>Everest Model of Change</i>	<i>Change Management</i>
<i>August 2021</i>	<i>Fruits & Nuts Matrix</i>	<i>Priority-Setting</i>
<i>September 2021</i>	<i>Powerhouse Framework</i>	<i>People & Organization Strategy</i>
<i>October 2021</i>	<i>Strategy Hourglass</i>	<i>Strategy-Making Steps</i>
<i>November 2021</i>	<i>Disciplined Dialogue Model</i>	<i>Interpersonal Communication</i>
<i>December 2021</i>	<i>Team-Building Cycle</i>	<i>Team-Building Process</i>
<i>January 2022</i>	<i>Market System Map</i>	<i>External Analysis Framework</i>
<i>February 2022</i>	<i>Strategic Alignment Model</i>	<i>Business Level Strategy</i>
<i>March 2022</i>	<i>Creativity X-Factor</i>	<i>Creativity Enhancement</i>
<i>April 2022</i>	<i>Organizational System Map</i>	<i>Organizational Analysis</i>
<i>May 2022</i>	<i>Customer-Centricity Circle</i>	<i>Organizational Design</i>

June 2022	Partnership Distance Model	Interorganizational Relations
July 2022	New Pyramid Principle	Presentation Approaches
August 2022	Corporate Value Creation Model	Corporate Level Strategy
September 2022	Embedded Identity Model	Personal Awareness