

The Four Phases of Strategy

After studying what has been written and researched about strategy over the past 30 years or so, we have come to the conclusion that no matter which approach you use or from which school of thought you come, there are four phases of strategy.

Phase I: Strategy Formulation

During the Formulation phase, organizational leaders decide which approach(es) they are going to adopt and then set about on the challenging task of formulating a strategy for their organization. During this phase, organizational leaders should consider these things:

- Objectives
- Operational Capabilities & Learning Capacities
- Environment

Phase II: Strategy Selection

During the Selection phase, the organizational leader who has the decision-making authority selects the strategy that the organization will adopt. This is an important step in the process, one which a surprisingly large number of organizations never get past. For organizations to grow, someone has to decide on the overall direction in which the organization is to go.

Phase III: Strategy Implementation

During the Implementation phase, the strategy works its way down from those who formulated the strategy to those who will be implementing the strategy. A best practice is to make sure that the most junior person in your organization has a clear idea of how his or her job links in to the overall strategy for the organization. In addition to knowing *what* they are doing, everyone needs to know *why* they are doing it.

Phase IV: Strategy Management

During the Management phase, organizational leaders are actively paying attention to those issues that affect their organization's strategy. Adding this phase helps keep strategy from ending up as just words on a page. Managing strategy ensures that strategy remains a dynamic process in the organization. During this phase, leaders should be doing these things:

- Measuring progress toward objectives
- Identifying emergent capabilities and opportunities
- Revising strategy or organization as needed

Avoiding Failure

Charan and Colvin (1999) found that the number one reason that strategies fail is because leaders fail to execute them properly. Our Four Phases of Strategy gives leaders a way to avoid that problem.

Conclusion

Remember, the goal of any strategy is to GROW or IMPROVE your organization. Let us help you implement a Four Phase strategy in your organization.

References:

Charan, R., & Colvin, G. (1999). Why CEOs fail. *Fortune*, 69-82.

Mintzberg, H., Ahlstrand, B., & Lampel, J. (1998). *Strategy safari*. New York: Free Press.

"However beautiful the strategy, you should occasionally look at the results."

—Sir Winston Churchill