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# 1. How I think about strategy



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*“The world is moving so fast nowadays that the man who says it cannot be done is generally interrupted by someone else doing it”*

Elbert Hubbard, American writer, 2018



## **Strategy is *not***

A synonym for anything that is apparently important (and often expensive)



**Neither is it a  
hothouse  
approach...**

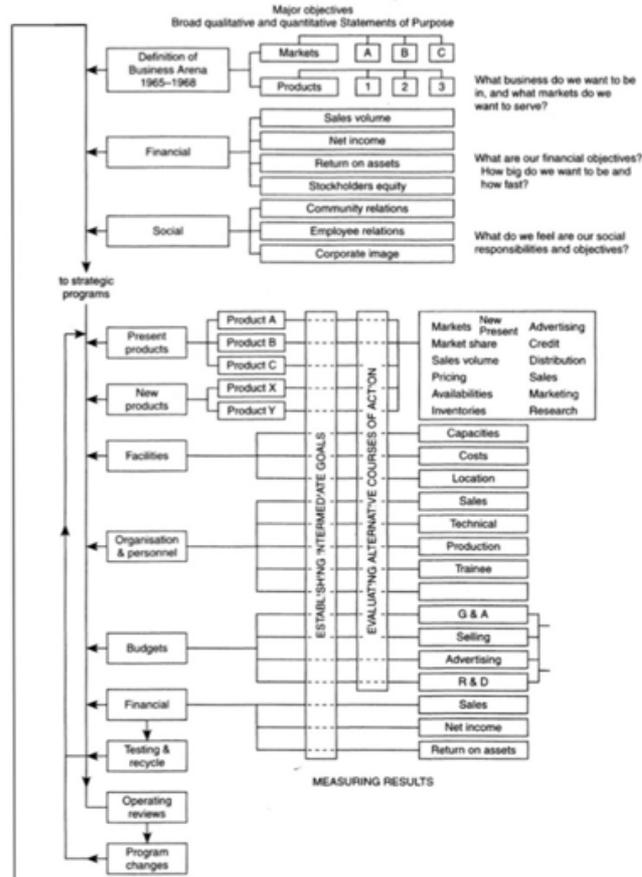
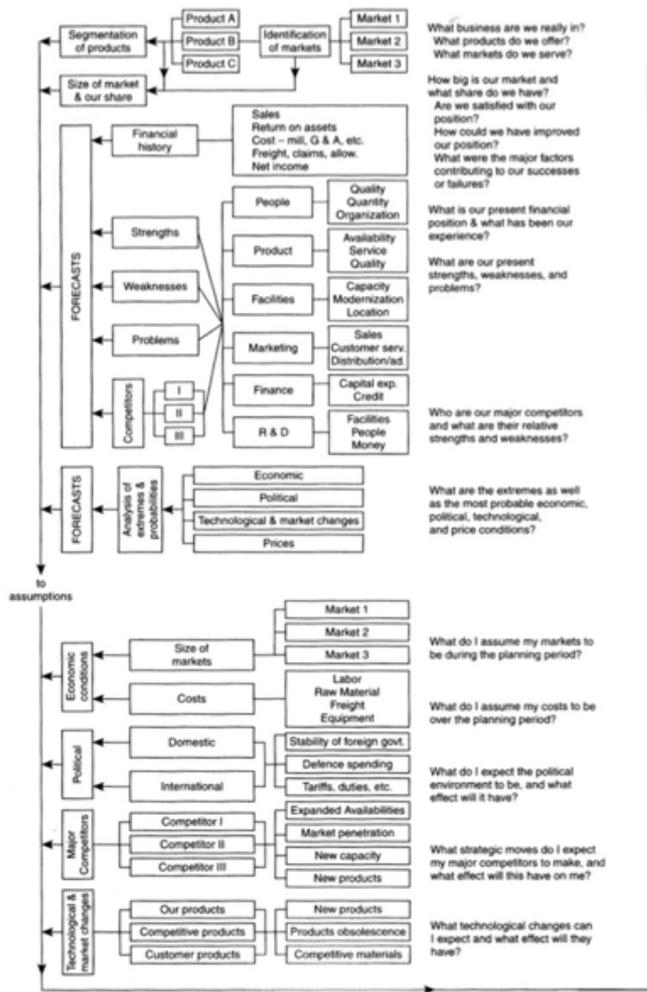
... where there is only **one** strategist, i.e. the CEO, who develops rarefied strategies that come out fully developed, just ready to be formalised and implemented by everyone else

A vintage car, possibly a 1920s model, is parked on a driveway in front of a house. The car is dark-colored and has a soft top. Several people are visible inside the car. The house in the background has a white door and windows with dark shutters. The overall scene is in black and white, with a dark overlay.

## Nor is it about omniscient prediction

- "Electricity is just a fad"
- "Cars will never replace the horse"
- "Telephones will never catch on"
- "TVs aren't really going to be a big thing"
- "The internet will have a very minor impact on how we live"
- "People will always want 'real' photographs"
- "No-one will buy clothes that they can't touch, feel and try on"

**And it's definitely not a rigid, passive and inflexible plan**



*Strategic planning is about the analytic processes of breaking down a goal into steps, formalising those steps so that they can be implemented almost automatically, and articulating the anticipated consequences or results of each step.*

*Strategy by contrast, is about continuous insight, creativity and synthesis.*

The strategic planning process at Kaiser Aluminium, circa 1964

# Not least because three fundamental fallacies lie at the heart of strategic planning



**The Fallacy of Prediction**, i.e. the clearly mistaken idea that the world holds still while a plan is being developed and then stays on the predicted course while that plan is being implemented. That's especially a mistake when it comes to competitors who are not "not sitting still waiting for your onslaught but actively creating his own strategy both to foil yours and probably attack you." Competitor's unpredictable responses constitute one of the most fundamental uncertainties affecting strategy.

## The Fallacy of Formalisation

Formalisation implies a rational and one way process from analysis to action. But strategy making as a learning process proceeds in the other direction too - we think in order to act but we also act in order to think. So trying things that slowly converge into viable patterns that become then become strategies is as much a part of strategy as a formal event or analysis that produces slide decks and spreadsheets



**The Fallacy of Detachment**, i.e. the idea that strategy making is an isolated process that happens just because a meeting is held with that label. Strategy making is something that happens all the time with everything that it takes to manage an organisation.

Ref: Henry Mintzberg

# So, what is strategy then?

- It is **a way through a difficulty, an approach to overcoming an obstacle, a response to a challenge or opportunity**
- The core of strategy work is always the same: **discovering the critical factors** in a situation and designing a way of **coordinating and focusing actions** to deal with those factors
- Strategy is fundamentally about **identifying or creating asymmetric advantages** that can be exploited to help achieve one's ultimate objectives **despite the inevitable constraints of reality**, i.e. finite resources, the opposing efforts of adversaries or competitors and the inherent unpredictability of strategic outcomes
- A **good** strategy **recognises the nature of reality** and **makes choices about courses of action** that are likely to achieve the goals that have been set

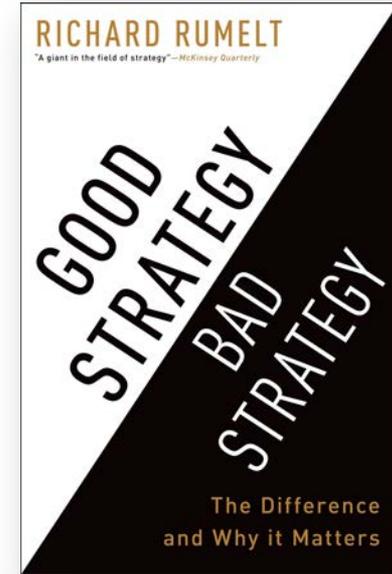
Richard Rumelt: "Good Strategy, Bad Strategy"

# The common mistakes with strategy however, include:

- **Not taking the time to understand and articulate the situation being faced.** If you aren't clear on the problem / challenge you need to solve, how can you assess the quality of your strategy to solve it? If you can't assess a strategy's quality, you can't reject a bad one or improve a good one.
- **Confusing strategic objectives with strategy and / or assuming that vision, effort and leadership are all you need.** Just saying what you want to achieve and being committed to giving it your all, is not the same as having a clear plan and coordinated set of actions that will get you there
- **Thinking that a 3 - 5 year rolling budget, along with some market share projections,** is strategy
- **Trying to do everything** instead of focussing on the critical few things that will make the most difference
- **Not being absolutely clear** on the things that you will **not** do
- **Not anticipating or thinking through the problems created by the strategy and competitor reactions** to what you are likely to do and having a plan to deal with those too.
- Using **"fluff", jargon and meaningless words** to convince yourself and others that you have a plan when in fact you just have vague ambitions
- **Thinking that strategy is an event** that happens once a year rather than **an ongoing conversation**

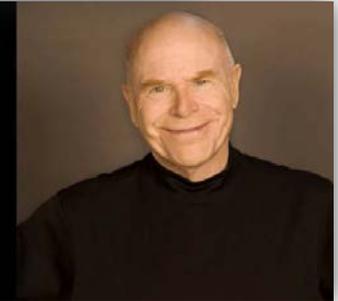
# Strategy requires hypothesising, acting and learning by doing

- Because the course of events in competitive situations is not precisely predictable, one cannot know with certainty how one's chosen strategy will work out in the long run.
- There is a literal truth of the Arab proverb: "He who predicts the future lies, even if he tells the truth"
- In this way, the strategist's situation is fundamentally different from the engineer's.
- Engineering problems deal with physical laws and regularities, which means they can have genuine solutions. In war or business a given strategy may succeed, but then again it may not – especially if one has overlooked important features of the situation or the opponent responds with an effective counter-strategy.
- Strategies, consequently, are always conditional, hostage to how events play out in the unpredictable future, and subject to unforeseen changes in the nature of the competitive environment.



"Simply being ambitious is not a strategy, Strategy is about action, about doing something... there is no greater tool for sharpening strategic ideas than the necessity to act."

**Richard Rumelt (USA)**



Ref: Richard Rumelt, "Good Strategy, Bad Strategy"

# It also requires constant and hard *thinking*



1. The **ability to create and hold in one's mind an image of something that doesn't yet exist**, i.e. to be able to have a clear vision of a desired future, grounded - but not bounded - in the reality of today

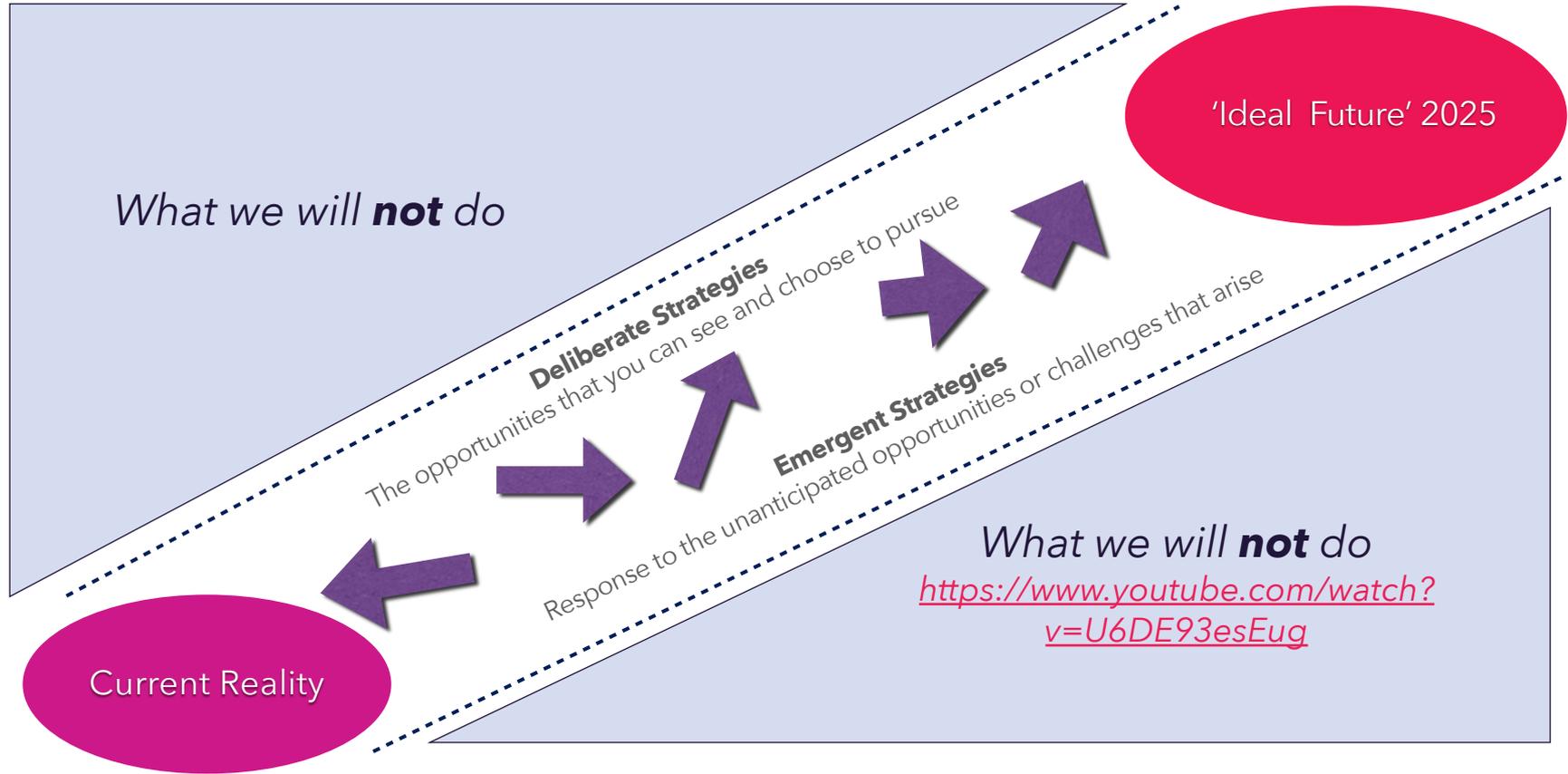


2. **Intentionality**, i.e. plans and goals to reach that vision of the future. Plans that link the future image of the organisation with the choices people make in their role, and that capture people's attention and energy and caring about because strategies only come to life when committed people infuse them with energy

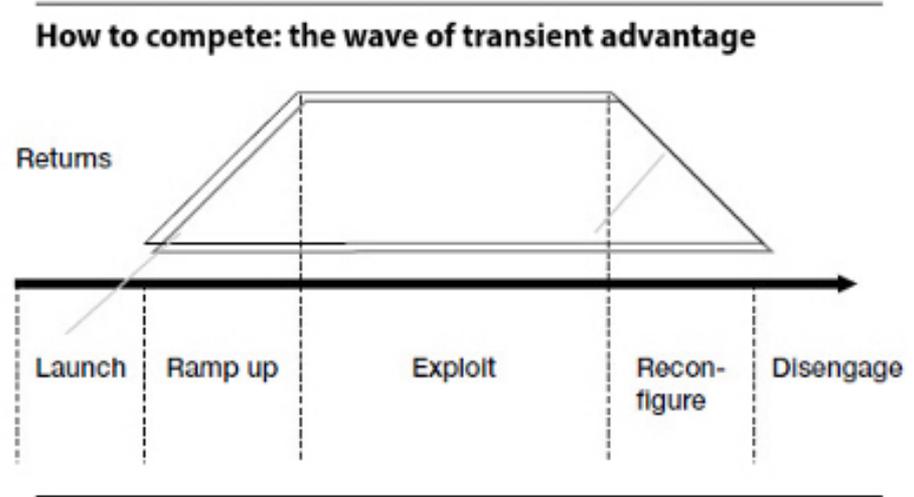


3. **Adaptability**, i.e. the ability to discover multiple ways to reach the intended goal if the initial plan fails to work or hits obstacles; learning and being intelligently opportunistic in a way that enhances the intended strategy and leaves room for new and unintended strategies to emerge

# It is this ongoing thinking and acting that enables "strategy by GPS"



# Especially as the concept and reality of sustainable competitive advantage disappears and is increasingly being replaced by one of transient advantage



Listen to a full webcast at: <https://hbr.org/2013/08/the-end-of-competitive-advanta>

# Requiring organisations to have a new strategy playbook

	From	To
<b>Continuous reconfiguration</b>	Extreme downsizing or restructuring	Continuous morphing
	Focusing only on exploitation	Equally emphasizing the entire wave
	Stability or dynamism	Stability combined with dynamism
	Narrowly defined jobs and roles	Fluidity in allocation of talent
	Stable vision, monolithic execution	Stable vision, variety in execution
<b>Healthy disengagement</b>	Defending an advantage to the bitter end	Ending advantages frequently, formally and systematically
	Exit viewed as strategically undesirable	Emphasis on retaining learning from exits
	Exits occur unexpectedly and with great drama	Exits occur in a steady rhythm
	Focus only on objective, currently known facts	Focus on subjective early warnings
<b>Using resource allocation to promote deftness</b>	Resources held hostage in business units	Key resources under central control
	Squeezing opportunities into the existing structure	Organising around opportunities
	Attempts to extend the useful life of assets for as long as possible	Aggressive and proactive retirement of completely obsolete assets
	Capital budgeting mind set	Real options mind set
	Investment intensive strategic initiatives	Parsimony, parsimony, parsimony
	Ownership is key	Access is key
	Build it yourself	Leveraging external resources
<b>Building an innovation proficiency</b>	Innovation is episodic	Innovation is an ongoing, systematic process

# And be able to tell a coherent strategic story in the midst of continual change

**Context 1.** What is the challenge / problem / opportunity we are facing?

## Goal

2. Given this challenge / problem / opportunity **what do we want to achieve?**

## So what?

3. **Why does it matter?**  
Why is it worth pursuing?

## Strategic objectives

4. What **specific, objective and clear measures will show success?** E.g. Reaching a specific turnover by a specific time / acquiring 50% more customers or partners by a specific time, etc.

## Strategy

5. **How** are we going to achieve what we are setting out to?  
What coherent and integrated actions are going to need to be taken?

## Anticipating

6. What are the likely reactions from competitors and stakeholders?  
7. What are the risks to the strategy and of the strategy?

## Clarifying

8. What are the things we are definitely NOT going to do – strategically, operationally, behaviourally?

# And yet most organisations don't do strategy properly - or at all

No time:  
96% of organisations



Lack of commitment /  
buy-in:  
72%



Lack of  
priorities:  
60%

Attachment to  
the status quo:  
56%

Not understanding what  
strategy is:  
48%

Lack of training /  
tools to think  
strategically:  
48%

Lack of  
alignment:  
48%

Firefighting / being  
reactive:  
44%



Lack of quality  
and/ or timely  
data and  
information:  
36%

Unclear  
company  
direction:  
32%

1. How I think about strategy



2. How I approach strategy work



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Year after year, Gallup's Global Employee Engagement Survey shows that - irrespective of company, industry or country - more and more employees are disengaged.

In 2018, the number reached 87%...

And yet, numerous studies have shown that upwards of 80% of adults, when asked if they would want to continue to work if they were to become financially independent and not need to have a job, answer 'yes'.

In my experience as a leader and consultant , organisations and leaders therefore increasingly have to ask some fundamental questions:

"Given that human beings are wired to *want* to contribute and do meaningful work, why is it that most of *our* employees probably also can't wait to get home at the end of every day?"

"How are we leading people?"

"Are we actually leading people?"

"Are we set up to get the best out of our people or just the most?"

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I work with leaders and teams to solve these problems and answer these questions at three levels:

- The **impersonal** level, i.e. defining what must be achieved strategically
- The **interpersonal** level, by building the effectiveness of teams and
- The **personal** level, so that people reconnect with what matters to them in their job and their life



# Guiding principles for all the work I do

- **No-one is smarter than everyone:** With this in mind, I always design and facilitate sessions to ensure as much opportunity for interactive thinking and ideation as possible - across levels, functions and experiences. I Too often, if there are senior people and / or strong personalities, they tend to dominate and everyone else defers or disengages and I make very sure that this does not happen. I also have a network of associates that I call on to complement and supplement what I am able to offer clients - colleagues who are deep experts in organisational design, new ways of working, strategy execution etc
- **“When spring comes, snow melts first at the periphery, because that is where it is most exposed”.** This is a truth observed by Andy Grove, Intel’s former CEO and author of “Only the Paranoid Survive”. I think it is exactly right and so in my sessions, I make sure that we deliberately seek out and include, a range of experiences and perspectives that are closer to the edges of changes that are affecting the organisation in order to add to, and push, the thinking of the executive team
- **People lead what they have shaped.** My experience as a leader and executive has proved to me again and again that a strategy only comes to life when committed people give it discretionary energy and discretionary energy in turn, is only unlocked when people have been part of a process together. As such, most strategy sessions I run are not “just” about analytics and strategy but inevitably have to include issues of culture, leadership and individuals too.
- **Context and customisation are critical.** Each session / engagement is designed based on where that client is, what they are trying to achieve and what they are grappling with. As such, while I have a range of tools and frameworks that I can draw on, no two sessions are ever exactly alike because no two organisations and teams are identical. I use the CEO briefing, along with tools such as Survey Monkey and interviews with key stakeholders, to gauge what is top of mind for the team that will be attending the session and then design it accordingly.



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3. Examples of client engagements



A Portuguese / South African start up which had developed a plant based alternative to milk was experiencing significant challenges in the leadership team and with the VC funder with respect to goals, strategy, markets to be entered and speed of expansion. I was called in to help them find common ground and develop shared objectives, failing which the VC would give no further funding.

Over the course of three days, the leadership team along with the VC funders

- Identified and discussed openly for the first time, how significantly differently each of the stakeholders defined success and the strategy of the company and how that was impacting and jeopardising operations and morale
- Worked to develop on a common understanding of success
- Using the **business model canvas**, jointly identified what needed to be done - and not done - strategically, operationally and behaviourally to start to work together much more effectively than had been the case up until then
- Used **backcasting** to jointly determine market penetration, product development and retail expansion targets over the next 3 years

At the end of the session, the leadership team had a clear picture of where they wanted to go, were much more committed and excited than they had been for months and were undertaking final further analysis to present to the VC funder with respect to the funding needed to achieve the agreed targets.





One of the largest pet insurers in the UK wanted to develop an ecosystem strategy, given that only 30% of pet parents ever take out pet insurance. As such, the majority of the pet owning market is closed to insurers. An ecosystem approach would allow them to move from simply being an insurer competing on price to being an indispensable part of pet parents' lives.

Over the course of two days, the team and I built **activity life cycles** (which use as their foundation the "jobs to be done" work of Clayton Christensen) to understand from the inside out, the myriad of things that a pet parent deals with, before, during and after having a pet. From this understanding, we were able to identify a number of opportunities for an ecosystem approach and using ranking criteria to start to prioritise steps to be taken over the immediate, short and medium term.

The ecosystem strategy is now well underway, with additional in-depth work having been done on customer's unmet needs and the opportunities in those for the insurer to become the leading provider in the market.

A South African company which had been started 10 years previously by a single entrepreneur, was going through significant changes. Having been acquired by a French company, they had in turn acquired an Israeli business and had just listed in Australia. The founder was moving to Australia to set up new operations there and there was significant concern about the impact his move would have on the ability of the local operations to continue to deliver given their significant reliance on the founder across all aspects of the business.

To prepare for the session, I sat in on a day long meeting with the leadership team and founder and based on the dynamics I observed, designed and ran a 3 day session as follows:

- Day 1: Got the team to understand that “**what got you here, won’t get you there**”, i.e. to acknowledge the personal and professional paths that everyone had walked to get the company to where it was were worthy of respect and pride but that things needed to change fundamentally as the context changed
- Day 2: Used **design thinking empathy maps** to understand the inter-dependencies and frustrations between operations, sales and quality and the impact that this was having on the business and the risks it posed to the business going forward, especially without the founder to mediate
- Day 3: Had the three main areas of the business jointly develop their shared goals and quarterly deliverables for the upcoming year, for presentation back to the founder and shareholders. These goals had traditionally been set by the founder for each area and he spent considerable time and energy pushing them through the various areas all year. As such, shifting to shared goals, with the areas clearly committed instead to *pulling* the strategy that they had developed themselves, one which was considerably more ambitious than even the founder expected, was a key indicator of success and change

Significant execution work remains and for that, I referred the team to a colleague of mine who is expert in this regard. He will be coaching and working with them as the founder moves to Australia but the shareholders and founder are now convinced that the team is more than up to the task. Even more importantly, the team believes it for the first time too.





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3. Examples of client engagements



4. My background and experience



I work as a strategy and leadership consultant for clients around the world, having started my career as a strategy consultant with Monitor Company, which was founded by a number of professors at Harvard Business School, including one of the gurus of strategy work, Michael Porter. It did ground breaking work for decades around the world before being acquired by Deloitte Consulting. During my time there, I worked on client engagements in South Africa, Turkey and Boston in industries as diverse as transport, FMCG, healthcare and mining.

I subsequently served as CEO of two newly established organisations (the Businesswomen's Association, followed by NOAH). Both of those experiences were invaluable in helping me understand the difference between being a strategy consultant – where the work is done when the slide deck is produced – and being part of a team that actually has to deliver a strategy with, and through, people continuously as things move from analysis to reality.

In 2011 I was appointed as the first Head of External Strategy at the South African Reserve Bank and was subsequently appointed Head of the SARB Academy, where my team and I were responsible for the design and delivery of all leadership and technical skills development in the central bank, including for some SADC central banks.

My final executive position before starting my own consultancy was Head of Leadership and Culture for the Standard Bank Group (the largest bank by assets in Africa). In that role, I was accountable for delivering the Culture workstream and the leadership sub-workstream, both of which formed an integral part of the Group strategy cascade that spanned all the countries where Standard Bank operates and which was a response to both regulatory requirements as well as strategic intentions set by the Group.

I hold a BA, EMBA and PG Dip in Futures Studies and lecture at Henley Business School and on various global leadership development programmes. I am also the author of the book "If you don't do politics, politics will do you – A guide to navigating office politics ethically and successfully."



Quote I live by

“ *To do the useful thing, to say the courageous thing, to contemplate the beautiful thing: that is enough for one man's\* life.* ”

T. S. Eliot

\* And one woman's...

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[change@nivenpostma.com](mailto:change@nivenpostma.com)

[www.nivenpostma.com](http://www.nivenpostma.com)