

# Before or after communicating it: prerequisites of strategy communication

Strategy Communication 15.1.2021



Aalto University  
School of Business

# Three challenges

Knowing the strategy.

Articulating the strategy.

Participating in strategy.

## **Challenge 1. Knowing it.**

**TOP SECRET**

It's mine, all mine... And nobody will ever see it. It's such a great strategy



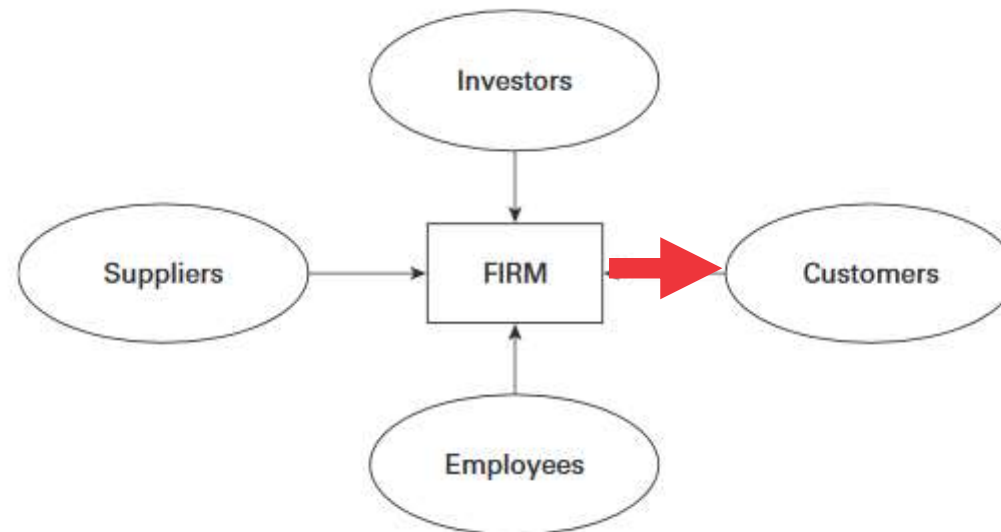
**WARNING! CONTAINS THE COMPANY STRATEGY**



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# A change in theory and practice: a shift towards two-way communication and stakeholder dialogue

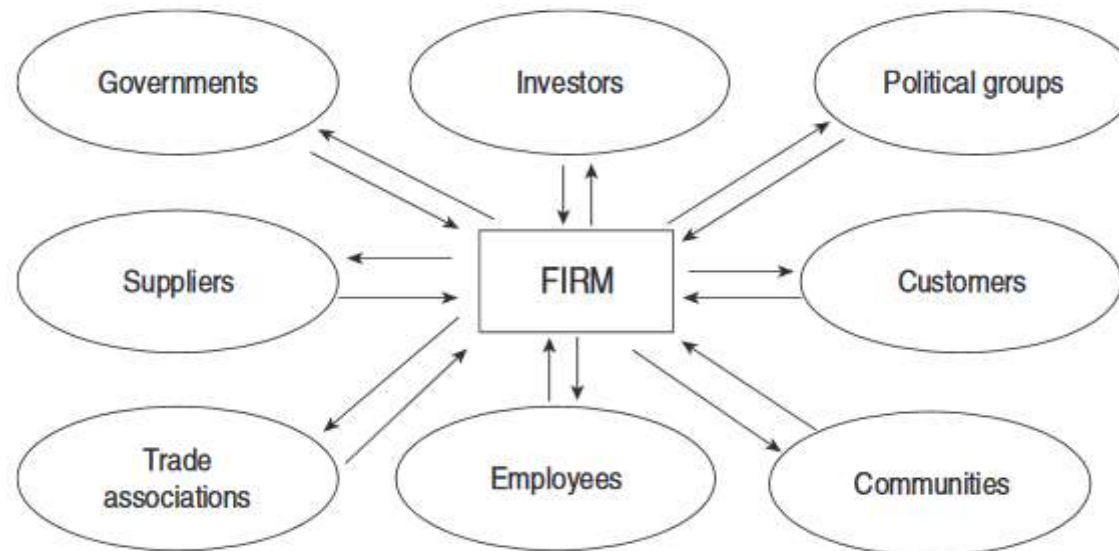
Traditional neo-classical economic theory (Input-output model)



“...the firm is the spill of the economy, where investors, suppliers and employees are depicted as contributing inputs, which the ‘black box’ of the firm transforms into outputs for the benefit of customers. - - - It is important to note that within the input–output model power lies with the firm, upon which the other parties are dependent, and that the interest of these other groups and their relationship to the firms is merely financial” (Cornelissen, Joep 2014: Corporate Communication)

## A big change in theory and practice: a shift towards two-way communication and stakeholder dialogue (cont.)

Socio-economic theory (stakeholder model)



“All those groups which have a legitimate stake in the organization, whether purely financial, market-based or otherwise are recognized, and the relationship of the organization with these groups is not linear but one of interdependency.” (Cornelissen, Joep 2014: Corporate Communication)

What is the average percent of employees who say they *understand* their company strategy?

5%

Jones, P. (2008) *Communicating strategy*.  
Burlington: Gower Publishing.

# Another example of knowing

- Devinney et al. (2013) asked employees of 20 Australian corporations with clearly articulated public strategies identify their employer's strategy from among six choices.
- Just 29 % answered correctly (16,67% possibility of getting it right just by guessing)
- Of different employee groups, middle managers did better than lower level staff or even senior executives...
- Training, documentation, and rewards seem to matter most



**Why? In your opinion. Good and bad examples.**

## **Breakout room discussion**

- **I know my organization's strategy because...**
- **I do not know my organization's strategy because...**

## **Challenge 2. Articulating it.**

## Point:

if you (as managers) do not know or cannot articulate clearly your strategy, how could your employees implement it? Or, **if you don't communicate your strategy in a way that your people understand and find compelling, how can you expect them to help you to succeed with it?**



# What does successful communication need from strategy

## Strategy is

- crystallized, clear and simple
- turns into a memorable story
- speaks with concrete examples
- avoids jargon
- appeals to both mind and heart



**= THESE ASPECTS OF STRATEGY SHOULD THEN BE THERE IN THE COMMUNICATION OF STRATEGY TO VARIOUS STAKEHOLDERS**

# Clarity: the importance of the written form

## Clear strategy statement with a clear

objective = END



At its best, a single precise objective that will drive the business over the next few years

scope = DOMAIN



Who the customer is, and/or clarity about the offering (including e.g. geographic location) integration. Clearly defined boundaries of the scope should make it obvious which activities the company should concentrate on

advantage = MEANS



Why customers should buy your product (customer value proposition) What makes you distinctive (the unique activities or the complex combination of activities allowing that firm alone to deliver the customer value proposition.)

Collis & Rukstad's (2008) example of **35** words:

*“Jones aims to grow to 17,000 financial advisers by 2012 [from about 10,000 today] by offering trusted and convenient face-to-face financial advice to conservative individual investors who delegate their financial decisions, through a national network of one-financial-adviser offices.”*

## 35 or even less?

Di Fiore, The Art of Crafting a 15-Word Strategy Statement, *Harvard Business Rev.*, 2014:

“In my consulting work, I ask my clients to summarize their strategy in less than 15 words. This statement must identify the target customer, the value proposition, and how the latter fits two requirements:

- **Focus:** What you want to offer to the target customer and what you don't;
- **Difference:** Why your value proposition is divergent from competitive alternatives.”

## Challenge 3. Participating in it.

# Participation

- Positive effects of participation well-documented in social psychological research
  - Kurt Lewin's experiments in the US during World War II: how to get housewives to change their cooking habits and recycle
  - Later, participation effects noticed especially in organizational change situations > participation in e.g. planning change decreases the resistance to change
- Strategy often associated with change (strategic change) > ideas of participating and using participatory practices have spread to strategic planning & implementation practices
  - (see e.g. *Mantere & Vaara, 2008: On the problem of participation in strategy. Organization Science.*)





## ...cont'd

- Thus, the practice of soliciting input from stakeholders has become commonplace at organizations (or has it really...?)
- Other reasons involved: e.g. transparency issue, or the growing understanding of the public reputation
- Need for transparency and reputation management could be, also, drivers for superficial participation & dialogue

## Participation through practices and arenas of strategy work

- Training sessions, workshops, roadshows, townhall meetings etc.
  - Strategy ambassadeur or facilitator programs
  - Making strategy a compulsory element as part of different meetings
  - Videos, blogposts, podcasts
  - Audio-versions
  - Official strategy documents made easily available in the Intranet
  - Intranet (and other social media) discussion groups
  - Main messages of strategy in wherever, e.g. as framed wall-art paintings in toilets, offices spaces, in screen-savers, coffee mugs,
  - Pictures, visualizations
  - Versions or short crystallizations available in personnel restaurants, hallways...
  - Strategy games
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# Exercise today

- In small groups of 3-4 students, take a look (and read) these two strategies from different organizations:
    - <https://www.fazergroup.com/this-is-fazer/strategy/>
    - <https://www.aalto.fi/en/strategy>
    - Spend a few minutes individually to read them through
  - Exchange views within you group on:
    - Are the objective, scope, and advantage clear (is there clarity)
    - Is the strategy memorable?
    - Can you see elements that would suggest that the strategy would appeal both to mind and the heart?
    - What kind of an overall view of the company you get from looking at it strategy
  - Use some 10 mins. for discussion, then we'll discuss you views in the main room
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