



FSIP FOODVIEW:
THE VOCABULARY OF STRATEGY (PART 1 OF 3)

HOW WE ARTICULATE STRATEGY IS AN IMPORTANT PART OF THE PROCESS

By Tim Powell, Managing Principal

Using a definition of strategy can be the cause of many lively arguments, because like marketing, it can mean different things to different companies. It can also be dangerous to add a definition because lengthy, semantic discussions can follow about whether or not it is precise enough and whether everyone would agree with it.

I'm here to confirm that there are different definitions according to many authors and there are also a variety of terms used in relation to strategy. One thing I have learned in my experience and education in strategic management from both the U.S. and European perspectives, is that there are certain components that are necessary. The definition, therefore, can be as accessible as a longer-term plan to prepare for internal and external opportunities and uncertainties.

About 1% of the population use the terms "convince" and "persuade" properly. Similar to a definition of strategy. But if 99% use it incorrectly, then who is right?

IDENTIFYING THE COMPONENTS OF A STRATEGY

Perhaps the best way to articulate a business strategy is to use the terms included in a planning document along with personal examples. The reason this exercise is important is because everyone can agree on these, even if they haven't been academically (in school) or practically (in the real world) trained as a strategist.

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Business schools also use proprietary definitions as do companies. I'll use a personal example that is near and dear to me — running.

TERM	DEFINITION	A PERSONAL EXAMPLE: RUNNING
Mission (Purpose)	Overriding purpose of your firm	Be healthy and fit
Vision	The desired future state	Running the Boston marathon
Goal	The aim of the purpose	Lose weight
Objective	Quantification (if possible) or more precise statement of goal	Lose 10 pounds by Sept. 1
Situation Analysis	A review of customers, competition (external) and the firm's strengths	Runners in your age group and personal times; Aches and pains that may exist and hamper success
Core Competencies	Resources, processes or skills which provide a competitive advantage	Proximity to a fitness center, a state runner in high school, supportive family
Strategies	Long term direction	Join a running club, compete in local marathons
Tactics	Combination of resources, processes and competencies to put strategy into action	Going to the gym, running on the treadmill, personal bests
Controls	The constant monitoring of the plan; Key performance indicators; The modification of strategies and actions	

I've been involved with companies that lack a foodservice strategy, instead using a retail strategy as a blanket response. This is like using football plays to compete in soccer.

In part two of this series, we will discuss why a strategy that is accessible to the entire firm is important and how to begin an analysis.

NEXT STEPS

Looking for help with developing a strategic plan for your firm or foodservice division? You've come to the right place. Foodservice IP is a research-based management consulting firm that specializes in strategic planning for foodservice companies. Let's build a better strategy together! Contact a FSIP team member today:

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