

# PRIVATE CAPITAL

THE MAGAZINE OF THE CANADIAN VENTURE CAPITAL & PRIVATE EQUITY INDUSTRY

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If there's one thing that most successful business leaders agree on, it's this: fuzziness is the enemy of execution. Clarity is king. Clarity is the key to strategy execution.

regarding what must be done in order to achieve success. The problem is, most strategies, however well-conceived, fail to address the three vital measures of clarity:

- › **The mind:** Ask yourself – does each individual on the team have the exact same understanding of what the strategy is? Do they “get” it? How do you know this for sure – have you asked them? Great leaders take time to address even the smallest of concerns so that the strategy is crystal clear to everyone.
- › **The heart:** Does everyone support the strategy in the same way that you do? Are they excited and passionate about it? Are they eager to own it, to commit to it? A strategy that everyone understands but only a few get excited about won't get you far.
- › **The hand:** Is it clear to everyone how the strategy must translate into action for them, personally? Can each and every person say, “Here's what I'm working on that supports the strategy”? Take a moment to poll your team to clarify what specifically they'll be doing to make the strategy a success. Are they all on board?

Most companies follow a traditional strategic planning process, an often-lengthy exercise involving endless analysis of mission statements, prior decisions and actions, and issues related to management performance and culture. While this can be a worthwhile exercise, the process most often yields a laundry list of organizational goals, strategies and actions, and a plan that is activities-based rather than output-oriented.

### Strategy alignment

An alternative approach is strategy alignment, a process designed to align strategies to both the “outside” business landscape and the “inside” environment of the organization, and prioritize the two to three things that matter most to success. Using the clarity measures of the mind, heart and hand, organizations can quickly align priorities, and start to focus on great execution of the strategy.

Strategy alignment begins with a thorough examination of the current situation, including an objective definition of the organization itself, and a reflection of its external and internal environments. Team members are asked to assess the future, create a shared vision and purpose, and set measurable goals for success. Importantly, team members must define what *success* means at this stage, so that they can answer the question, “Are we there yet?” Then, and only then, can they start to chart a course of action.

Now comes the hard part. Once the actions have been identified, choices must be made. Clarity of direction does not mix well with long lists! Strategy is about executing two to three things that really matter. These choices define, in clear and undeniable terms, the chosen strategy that *will* be implemented.

At this point, it is useful to reflect on how the strategy changes the nature of the organization. These changes might be structural, affecting the placement of people, skills and capital; or they might be more qualitative, altering in some significant ways the very nature of the enterprise. Again, the principles of mind, heart and hand must be applied to achieve clarity and commitment.

The final output? A strategic plan that is aligned with the realities of both the external business landscape and the internal capacities and capabilities of the organization. A document that is infused with laser-sharp clarity. A blueprint for success. n

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