

Summarizing Strategy Statement in 15-Words: Acid Test for Success

A brief strategy statement leads to effective strategic market planning

Companies can be successful if they can summarize their strategy statement in 15-words. The 15-word constraint is an acid test that reveals the lacuna of alignment among managers. If the strategy document is discussed in 100 pages, every manager will interpret and understand the strategy according to his perception. The outcome: Multiple perceptions of the single strategy document.

Companies can align all managers and customers better if they craft their strategy statement in 15-words. Clarity is crucial for easy understanding and better communication. Clarity connects customers and aligns employees. The exercise of 15-word strategy statement tunes everyone towards its easy implementation.

Strategic market planning is the process of communicating and sharing data between various departments of an organization, to collectively formulate future strategies and implement them with maximum efficacy. Effective strategic market planning requires companies to conduct a great deal of research and to really get to know its target market. Companies need to fully get to know who the target market is, how they think and feel, what they do, how old they are, where they live, what their hobbies are and more. Companies need to be able to live, think, breathe and feel like their target market to develop products and services that fit the needs of the target market.

Research says clarity depends on the contrast principle where one can understand something better if it is compared with others rather than in isolation.

The Conditions for 15-word Strategy Statement: The statement should identify the right target customer, the value proposition, and how the value proposition fits the following two conditions:

- Focus: What is and what is not offered to the target customer
- Differentiation: How the offer is different from competitors value proposition

For example, IKEA's success at global level can be attributed to its clarity of strategy. IKEA, the world's largest furniture retailer, operates 349 stores in 43 countries, designs and sells ready-to-assemble furniture, appliances and home accessories. What is unique about IKEA is that it consciously designed its value proposition based on "Focus and Differentiation".

Source: Google Images



IKEA's Focus: Replacing the traditional warehousing atmosphere in a furniture retailer with a cheerful sales support, innovative look & feel and assembly of furniture with amusing attributes. Traditional retailers lack sales support, warehousing look and no real time experience.

IKEA's Differentiation: Offered along with furniture other items such as house appliances, unique toys, Flat-pack houses, etc. along with day care center where customers can drop children, food, smaland (small play ground).

IKEA is able to distinguish in the minds of customer about its value proposition in comparison to other furniture retailers.

IKEA's Strategy Statement: *To create a better everyday life for the majority of people*

Topic	Course
Strategic market planning: Strategic planning process in marketing: Unit 9.3	Marketing Management

Source: Di Fiore, Alessandro (2014), *The Art of Crafting a 15-Word Strategy Statement*, HBR Blog Network, Feb 12, 2014