



Welcome to our latest bulletin and best wishes for 2014.

In our lead article [Peter Boggis](#) and I propose that the act of strategy development is essentially about deciding where an organisation aims to operate along a small set of strategic axes, where each strategic axis represents a source of value. Making these positions explicit as a strategic signature is an effective way of helping the organisation understand what it needs to do to change its trajectory to its target future.

In our second article we feature Professor Quy Huy's [point of view](#) in which he argues that leaders who are able to identify and manage patterns of emotions in a collective way are better able to make their ambitious strategies a reality.

Finally, we review Steven Snyder's book [Leadership and the Art of Struggle](#).

As always, we welcome your feedback.

Best regards  
[David Trafford](#)

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## About Formicio

We work with people who want to improve their organisation's future by delivering transformational change.

We provide both thought leadership and thought partnership on all aspects of change from formulating strategy to managing migration.

## Making your strategic signature explicit

When leaders think about strategy they are essentially thinking about where they would like their organisation to operate in the future. They are thinking about how the current sources of value could be maximised and where new ones could be created. In their recent article [Making Your Strategic Signature Explicit](#), [David Trafford](#) and [Peter Boggis](#) call these sources of value 'the strategic axes of the organisation'.

Strategic axes not only define what an organisation does, but the extent to which it does it. For example, retail banking has a set of strategic axes (sources of value), one of which is the service it provides that enables customers to pay bills and transfer money. This axis is often called payments, current or cheque accounts. This strategic axis offers a spectrum of choice and where a bank chooses to position itself on this spectrum defines its strategy.

Strategy therefore comprises making choices about which sources of value (strategic axes) the organisation decides to pursue and where along each axis it chooses to position itself. For example, when Apple launched iTunes in 1998 it pursued a new source of value, and as a result introduced a new strategic axis to the Apple organisation. At that time Apple may not have fully understood the full spectrum of choices available to it along this strategic axis, but over time it has continually repositioned itself from offering a simple music player to the sophisticated multimedia content manager, hardware synchronisation manager and e-commerce platform of today.

Making these positions explicit as a *strategic signature* is an effective way of helping the organisation understand what it needs to do in order to change its trajectory away from its default future.

To read their full article where David and Peter give examples of strategic axes for a number of industries, click [here](#).

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## An emotional approach to strategy execution

Time and time again, senior executives spend much time and resources developing and promoting a visionary strategy only to be let down by its execution, argues Quy Huy, INSEAD Associate Professor of Strategy.

Huy believes that for many executives, strategy execution seems only to require operational project management to organisational change: breaking it down into different tasks, assigning various project managers and allocating appropriate resources such as people, money and other resources, and setting up a schedule for delivery. Then, once the project planning structure is established, they assume 'mission accomplished' and things should automatically unfold.

What they fail to take into account are the hidden traps related to softer human factors, including the collective emotions of middle managers and others who influence the process of strategy execution and have a critical impact on the outcomes, as illustrated

Throughout our work we believe that it's important for the client to retain ownership of their challenge and find an approach that will work for their organisation. Our role is to support and facilitate the process, while keeping the client true to their intent.

Specifically we can help:

**Explore** alternative futures that are not only better, but achievable.

**Establish** the conditions necessary for successful transformational change.

**Develop** capabilities needed to 'pull' an organisation into an improved future.

More details can be found on our [website](#).

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## Parting thought

"The reasonable man adapts himself to the world: the unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man."

George Bernard Shaw  
Irish playwright and a  
co-founder of the London  
School of Economics  
1856 – 1950

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by the fall in popularity of President Obama as a result of poor healthcare information technology, and the exits of both CEOs Ballmer and Kallasvuo as their companies could not successfully execute their intended business strategies

Huy argues that managing collective emotions, and taking appropriate emotion management action is a key – yet often ignored – role for executives who want to increase the odds of success of strategy execution.

To read Huy's article, click [here](#).

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## Leadership and the art of struggle

According to Steven Snyder great leaders grow through challenge and adversity. In his book [Leadership and the Art of Struggle](#) he argues that savvy leaders embrace struggle as an opportunity for growth and learning, and treat it as an art to be mastered.

Struggle is something we are all familiar with and occurs when a difficult or complex situation arises that presents some challenge or adversity. While circumstances can vary widely – from beginning a new job, confronting a major disappointment, or facing a difficult decision – Snyder argues that there are three fundamental conditions that determine the nature of struggle, namely change, tensions and being out of balance.

Through a series of case studies, many based on well-known leaders like Bill Gates and Steve Jobs, Snyder sets out the core practices that enable leaders to adapt and effectively channel their energies.

The book is organised into three parts: the first focuses on *becoming grounded* – gaining a mooring on struggle and restoring balance; the second looks at *exploring new pathways*; and the third on *deepening your adaptive energy*. The book also offers a number of reflective exercises that help leaders directly address the struggles they may be facing and address them from a different perspective.

Reading the book may not make you a good leader, but it will help you better understand why being an effective leader involves knowing how to understand yourself and how to adapt to changing circumstances.

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