



Razalution

YOUR ULTIMATE BUSINESS ORACLE

This white paper is prepared by Razalution Bureau LLC and analyzes frameworks for formulating strategy in uncertain business environments including but not limited to unforeseen socio-political, geo-economic, pandemics and uncontrollable natural disaster circumstances.

This paper recommends a framework that serves both start-ups and corporate world alike; that ought to facilitate a process-based approach to create sustainable value proposition.

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Executive Summary

Having a robust business strategy is paramount for any successful and sustainable enterprise. However, the challenge most executives face is how to derive such a strategy¹. Particularly when encountered uncertain business environments influenced by socio-political and unforeseen uncontrollable natural disaster situations. These uncertainties not only may influence overall context of the business environment; but also, may negatively affect sustainability of chosen strategic direction. Even though there is no one right formula to fit all scenarios, however a process-based decision-making framework is being proposed to facilitate strategy formulation; that ought to assist strategy execution and deliver superior business performance. In this connection some already established tools are being proposed in a unique sequenced workflow along with 'Business Continuity' management philosophy while drafting business strategy.

Introduction

In general terms, a plan of action or policy designed to achieve a major or overall aim is termed as a strategy². A business strategy is a set of guiding principles that, when communicated and adopted in the organization, generates a desired pattern of decision making¹.



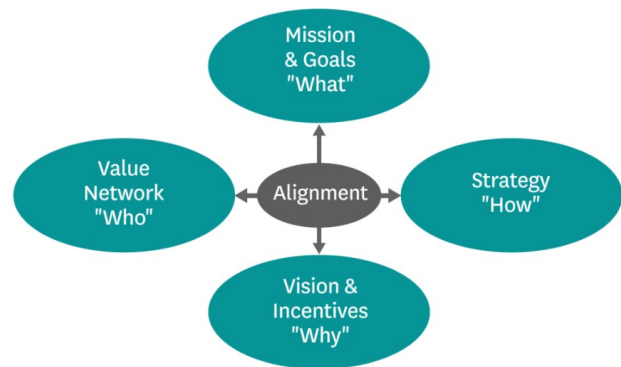
Richard Rumelt, a renowned strategy scholar believes that 'a good strategy is a coherent mix of policy and action designed to surmount a high-stakes challenge'. He further explains good strategy has a simple logical structure he calls the *Kernel*. These three elements are (i) a clear-eyed diagnosis of the challenge being faced, (ii) an overall guiding policy explaining how the challenge will be met, and (iii) a set of coherent actions designed to focus energy and resources³.

A strategy is therefore about how people throughout the organization should make decisions and allocate resources in order accomplish key objectives. A good strategy provides a clear roadmap, consisting of a set of guiding principles or rules, that defines the actions people in the business should take (and not take) and the things they should prioritize (and not prioritize) to achieve desired goals¹. A strategy is not a mission, which is what the organization's leaders want it to accomplish; missions get elaborated into specific goals and performance metrics. A strategy also is not the value network — the web of relationships with suppliers, customers, employees, and investors within which the business co-creates and captures economic value. Finally, a strategy is not a vision, which is an inspiring portrait of what it will look and feel like to pursue and achieve the organization's mission and goals. Visioning is part (along with incentives) of what leaders do to motivate people in the organization to engage in above average effort¹.

In a Nutshell

- Drafting a successful business strategy can be a challenging & daunting task; particularly in uncertain business environments.
- In order to encounter this challenge, this study proposes a process-based decision-making framework that deemed to facilitate strategy formulation exercise.
- In this connection some already established tools are being proposed in a unique sequenced workflow along with 'Business Continuity' Management' philosophy.

In a nutshell, as illustrated, mission is about **what** will be achieved; the value network is about with **whom** value will be created and captured; strategy is about **how** resources should be allocated to accomplish the mission in the context of the value network; and vision and incentives is about **why** people in the organization should feel motivated to perform at a high level. Together, the mission, network, strategy, and vision define the strategic direction for a business.¹



One straightforward implication is that strategy cannot be developed for business without first thinking through mission and goals. Likewise, coherent strategy cannot be developed in isolation from decisions concerning the network of partners with whom the business will co-create and capture value.¹ Therefore, it is imperative to understand that strategy cannot be drafted in isolation; and numerous aspects must be aligned and move in harmony to get the desired results. This report analyzes frameworks for formulating strategy in uncertain business environments including but not limited to unforeseen socio-political and uncontrollable natural disastrous uncertainties. This report also recommends a framework that serves both start-ups and corporate world alike and ought to facilitate a process-based approach to create sustainable value proposition and compete in 'red ocean' or create 'blue ocean' strategies.

Methodology

The prime objective of this study is to understand where do powerful strategies come from? Is it purely luck, or good timing, or a stroke of inspiration. The key question before embarking on this journey was to examine the hypothesis that *'a successful and resilient strategy can be developed by following a process-based approach'*. The study was divided into three (3) main segments [A] Data Collection; [B] Data Interpretation/Analysis and [C] Reporting. For data collection, three (3) input sources were utilized:

- (i) Literature Review – Involved web search with relevant key words including but not limited to 'Strategy'; 'Business Strategy'; 'Why Business Strategy Fails'; 'Strategy Formulation Process'; 'Strategy Making Tools' etc. Selected references are duly included within bibliography of this report.
- (ii) Survey (posted on LinkedIn) – A structured ten (10) questions survey was created in 'Qualtrics' and launched through professional networking site 'LinkedIn'; https://fox.az1.qualtrics.com/jfe/form/SV_dgmipVrMhMYnBVr. The survey was open during January 28 – March 31, 2019. Notably despite more than seven hundred (700) views, this survey did not generate credible data and received no response.
- (iii) Interviews with entrepreneurs/ subject matter experts – Due to failed attempt to collect data through the survey, this study decided to collect required information through personal interviews of successful subject matter experts and discussed proposed strategy process and sought their

feedback. Additionally, this study also benefitted from a survey conducted by 'Strategy Profiler' that was summarized by PricewaterhouseCoopers (pwc).

The main purpose of data collection phase was to understand currently prevailed practices for strategy making and identify reasons for strategy failure. Subsequently, the data interpretation and analysis phase focused on identifying and addressing the inadequacies that leads to strategy failure. Finally, the reporting phase attempted to forge a resultant process for strategy formulation that ought to assist strategy execution and deliver superior business performance. In this connection the hypothesis was that *'risk associated with uncertain business environments can be mitigated and a successful resilient strategy can be developed by following a process-based approach'*.

Study Findings

As indicated earlier, in the first phase of data collection and literature review, this study focussed on learning how business leaders historically and currently formulate strategy. Subsequently the attention of this research shifted to understanding reasons for strategy failures.

Current Practices

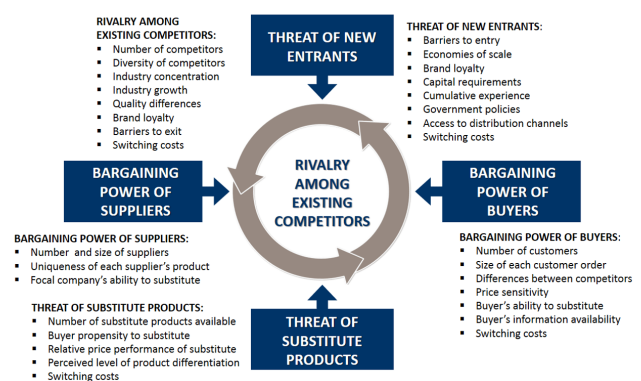
Business around the globe tend to use structured frameworks often called strategic management planning tools to determine exactly where their organization is going during the next few years and beyond and how to get there. There are numerous tools being used these days. Just as having the right tools won't necessarily make you a good mechanic, having the right strategy analysis tools won't necessarily make you a good strategist - but they will help a good strategist get the job done more effectively. Most frequently used tools include but not limited to: Porter's Five Forces, SWOT Analysis, PESTEL Analysis, McKinsey 7S, Business Model Canvas etc.

Porter's Five Forces

Porter's Five Forces analysis is a framework that helps analyzing the level of competition within a certain industry. It is especially useful when starting a new business or when entering a new industry sector. According to this framework, competitiveness does not only come from competitors. Rather, the state of competition in an industry depends on five basic forces: threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products or services, and existing industry rivalry⁴.

PROS: It provides a framework to help think about competitive forces contained within simple business structures⁵.

CONS: It is incomplete because it does not address broader business issues in a multi-national, multi-channel, multi-product marketplace. The model's assumptions favor simplified classical economic models and fails when applied in highly-regulated or politicized industries or controlled competitive environments⁵.



SWOT Analysis

SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) is a structured method to analyze both internal and external factors that are likely to affect a company's success. This framework needs little introduction as it has been used and overused in virtually every strategic planning discussion. It needs to be combined with the TOWS matrix to gain additional insights⁶.



PROS⁷:

- The success of this method is mainly owed to its simplicity and its flexibility.
- Its implementation does not require technical knowledge and skills.

CONS⁷:

- Lack of prioritization of factors, there being no requirement for their classification and evaluation;
- Analysis only at a single level (not multi-level analysis);
- No rational correlation with the implementation phases of the exercise.
- Risks of inadequate definition of factors; over-subjectivity in the generation of factors (compiler bias);

PESTEL Analysis

Originated as PEST Analysis, this framework is used in the early phases of strategy development to describe the landscape and environment in which a firm operates (PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal). Note: It is sometimes transformed into SLEPIT (Social, Legal, Economic, Political, Intercultural, Technological), STEEPLE (Social, Technological, Economic, Environmental, Legal, Ethical) and DESTEP (Demographic, Economic, Social, Technological, Environmental, Political). This tool is especially useful when starting a new business or entering a foreign market. It is often used in collaboration with other analytical business tools such as the SWOT analysis and Porter's Five Forces to give a clear understanding of a situation and related internal and external factors⁸.



PROS: Very structured for analysis of the external environment.

CONS: The results of PESTLE analysis may lead to paralysis by analysis. The data collection and process of this analysis is subject to regular accumulation of data. PESTLE analysis is only based on an assessment of the external environment (not internal capabilities).

McKinsey's 7S

The McKinsey 7S Framework is a management model developed by business consultants Robert Waterman Jr. and Tom Peters in the 1980s. The 7 S's are Structure, Strategy, Systems, Skills, Style, Staff and Shared values. The model is most often used as an organizational analysis tool to assess and monitor changes in the internal situation of an organization. The model is based on the theory that, for an organization to perform well, these seven elements need to be aligned and mutually reinforcing. So, the model can be used to help identify what needs to be realigned to improve performance, or to maintain alignment (and performance) during other types of change⁹.



PROS¹⁰:

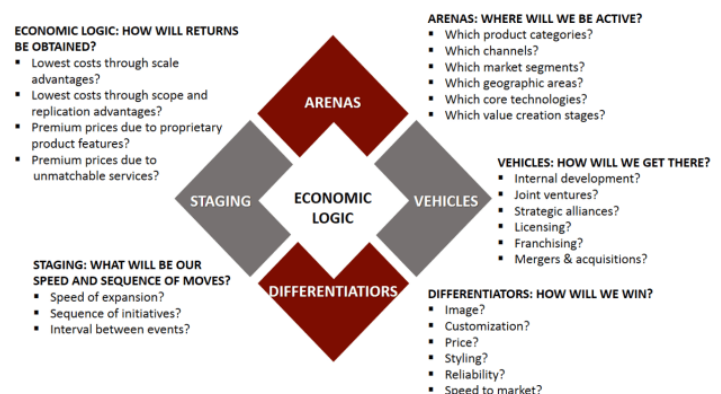
- Offers an effective method to diagnose and understand an organization.
- Provides guidance in organizational change.
- Combines rational and emotional components.
- All parts are integral and must be addressed in a unified manner.

CONS¹¹:

- Ignores the importance of the external environment and depicts only the most crucial elements in this model for explaining the interdependence of the key processes and factors within the organization.
- Does not explain the concept of organizational effectiveness or performance explicitly.
- Criticized for lacking enough empirical evidence to support to support their explanation.
- Considered to be more of a static kind of model.
- It is rather difficult to assess the degree of fit with accuracy successfully.
- Criticized for missing out the intricate or finer areas in which the actual gaps in conceptualization and execution of strategy may arise.

Strategy Diamond

The framework (developed by Donald Hambrick and James Frederickson) puts the economic logic at the center of the analysis. Five dimensions are analyzed: Arenas, Vehicles, Differentiators, Staging and Economic logic. Strategy is about making important choices, and the real power of the Strategy Diamond is that it integrates important choices into a bigger picture instead of as a piecemeal approach⁹.



PROS¹²

- Concise, comprehensive summary of the strategy that can be communicated with ease to organization and other stakeholders.
- Creates a shared understanding of the strategy and strategy gaps.

CONS¹²

- Does not tell managers if the strategy is good, it only tells them if it is complete.
- The model itself is inwardly focused and does not automatically take system dynamics or competitive interaction into account.

Business Model Canvas

The business model canvas — as opposed to the traditional, intricate business plan — helps organizations conduct structured, tangible, and strategic conversations around new businesses or existing ones. Leading global companies like P&G, and Nestlé use the canvas to manage strategy or create new growth engines, while start-ups use it in their search for the right business model. The canvas's main objective is to help companies move beyond product-centric thinking and towards business model thinking¹³.

PROS¹⁴:

- Snapshot on one page
- Easy to change
- Visual
- Easy to understand for everyone on the team
- Good to track validation of hypotheses
- Quick to create

CONS¹⁴:

- Often only used as a checklist
- Leaves out essential business model aspects (e.g. competitors, liquidity)
- Often not updated
- Often used without embedding it into corresponding methods

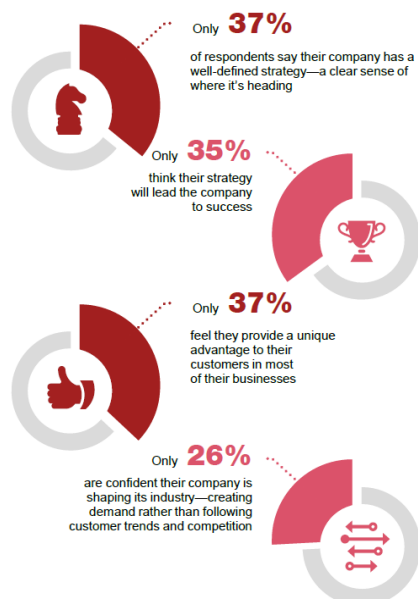
KEY PARTNERS Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from our partners? Which key activities do partners perform?	KEY ACTIVITIES What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?	VALUE PROPOSITIONS What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we offering to each segment? Which customer needs are we satisfying? What is the minimum viable product?	CUSTOMER RELATIONSHIPS How do we get, keep, and grow customers? Which customer relationships have we established? How are they integrated with the rest of our business model? How costly are they?	CUSTOMER SEGMENTS For whom are we creating value? Who are our most important customers? What are the customer archetypes?
KEY RESOURCES What key resources do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?		CHANNELS Through which channels do our customer segments want to be reached? How do other companies reach them now? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?		
COST STRUCTURE What are the most important costs inherent to our business model? Which key resources are most expensive? Which key activities are most expensive?		REVENUE STREAMS For what value are our customers really willing to pay? For what do they currently pay? What is the revenue model? What are the pricing tactics?		

Challenges – Why Strategy Fail?

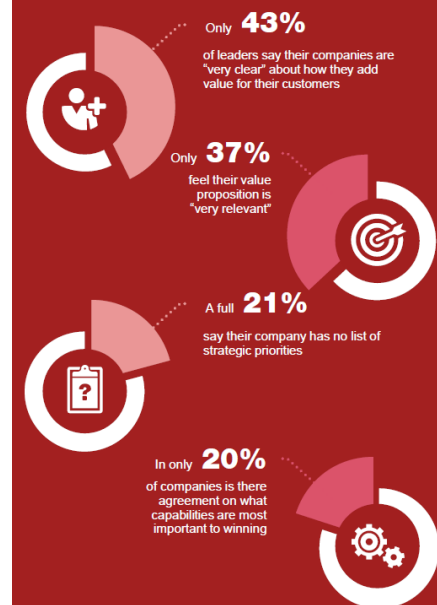
Even with numerous tools available for facilitating strategy making, then why do strategies fail? In one of the HBR article Ron Carucci notes that strategy, at its most basic level, is a set of choices and trade-offs about where an organization will invest, compete, and win. For more-complex organizations, that means every “yes” to an idea or initiative requires a “no” to several others in order to secure the success of the first initiative. Limiting the number of commitments requires focusing all resources on a narrowed set of priorities, intentionally deprioritizing other efforts. Despite this, most executives struggle to understand the implications of not making effective trade-offs. In companies that poorly execute strategy, a staggering 60% do not even link their strategies to their budgets, guaranteeing a disconnect between commitments and resources. By contrast, in companies that successfully execute strategy, 76% limit the number of strategic initiatives they focus on and 64% build their budgets around their strategy¹⁵. A recent report by ‘Strategy Profiler’ (summarized by PricewaterhouseCoopers (pwc)¹⁶) includes the survey results of more than 6,000 corporate leaders that highlights the reasons for strategy failures; this includes:

- Lack of clarity of their value proposition – Not understanding customers and their needs often remains elusive and vague; leading into identifying irrelevant value proposition.
- Lack of defined priorities – If focal points and appropriate trade-offs and are not identified, resource o allocation tend to be inefficient and ineffective.
- Disagreements within the companies on what capabilities are most important to winning.
- Lack of direction – All above leads to lack of direction & purpose.

Leaders lack confidence in their own company's strategy



Companies don't address their most important strategic questions





The strategy profiler also identifies that leaders struggle to make the connection between strategy and the things their organization does every day—their capabilities¹⁶.

Additionally, research conducted by McKinsey also identifies external market forces continually conspire to deplete profits. One is the need to gain agreement—before creating strategy—on the essential decisions and the criteria for making them. Another is to ensure that the company is prepared and willing to act on a strategy once it is adopted. Too much of what passes for strategy development, they find, consists of hurried efforts that skip one or more of the essentials. The resulting strategies are often flawed from the start.¹⁷

As part of data collection exercise for this study, a few interviews were also conducted. The first of these interviews included conversation with a serial entrepreneur Mr. Olav Bergheim. Portfolio of Mr. Bergheim's firm 'Fjord Ventures' consists of up to sixteen (16) successful medical devices, diagnostic and biopharmaceutical companies in a range of therapeutic areas. During this interview, Mr. Bergheim shared his believes that leaders and organizations often focus on how to use the latest available technology to win quick buck; rather than understanding the problem and looking for a solution. A lot of start-ups & corporate finds a technology and try to think how to use this technology and make money. Based on his experience, he believes if you truly understand the problem and passionate about solving that problem (not fixated to use technology or making quick buck), only then you can draft a sound strategy. He also believes that companies should invest a lot of time and resources for preparation (process) before embarking on a journey and launching the project.

Mr. Olav Bergheim – CEO Fjord Ventures

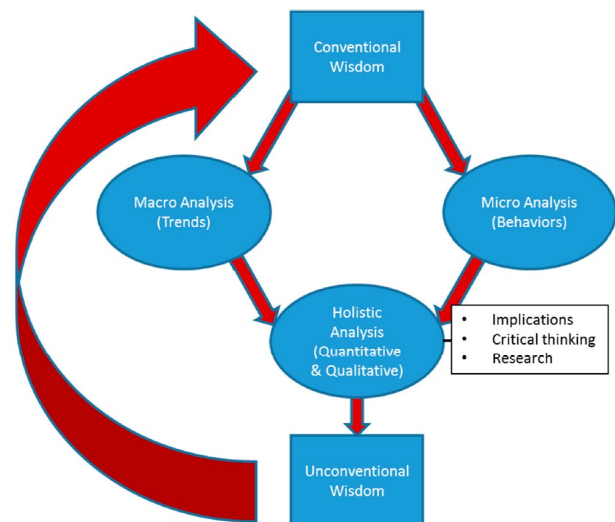
Remember why your company exist and keep your focus on solving the problem; don't get distracted by available latest technology.

In summary, this study's findings conclude that strategies usually fail due to the following:

1. Lack of vision and mission i.e. why does the organization exist.
2. Lack of clarity of their value proposition.
3. Lack of defined priorities / focus.
4. Lack of understanding of their strengths and capabilities.
5. Disagreements within the organization on what are the priorities.
6. Inadequate or no resource allocated to implement strategy.
7. Inadequate discipline and confidence; quick reversal of original strategy.

Moving Forward – The Unconventional Approach

It appears in order to avoid failures of the past, possibly an unconventional approach has to be explored for a sustained success. In this connection, Dr. Bertrand Guillotin of Temple University has introduced a notion of 'Unconventional Wisdom'. The theory has been recently published in the Journal of Risk and Financial Management¹⁸. In his research, he examined decision-making process taking input from established sources and describe these input sources as the 'Conventional Wisdom'. Giving the background of his research, he explains that in 2015, Goldman Sachs closed its BRIC (Brazil, Russia, India, China) fund after years of losses and plummeting assets. Emerging markets had, once again, turned into submerging markets. Their dependence on “developed” markets and established institutions had failed them in a post-Global Financial Crisis (GFC) era, anchored in protectionism, risks, volatility, and uncertainty. Quoting another example, he explains that the once commonly-accepted wisdom that called for US housing prices to always increase was part of the problem and contagion. He believes that any rebuilding process using conventional wisdom would probably not work. He concludes that Conventional wisdom, used knowingly or unknowingly, has not always been the friend of the strategist, especially in an emerging market environment where institutional voids, rampant corruption, and other dangers loom large and can be found next to unparalleled opportunities. Therefore, a new approach is necessary, especially since the last key contributions to show the inadequacy of a conventional wisdom-based strategy in emerging markets are more than ten years old. Dr. Guillotin proposes a holistic and analytical framework that he describes as the Holistic Risk and Opportunity Analytical Framework (HROAF). His research illustrates how five basic assumptions can be proven wrong and lead to the creation of unconventional wisdom that can help derive some strategic insights. It can provide the strategist with a different lens to manage a new normal of uncertainty, volatility, risks, and opportunities, thereby creating some unconventional wisdom and a sustainable competitive advantage for him or her. Whereas the HROAF should allow strategists to generate some initial insights, each strategist is expected to dive deeper in each portion of their multi-dimensional framework, as needed. He believes that, when used regularly, this framework could become a useful tool to unleash the potential of a new strategic and global mindset that will help reduce the biases and dangers that come from conventional wisdom¹⁸.



Lessons Learnt

Dr. Guillotin's research proves that so called tried & tested 'Conventional Wisdom' may lead to failures. In modern uncertain and volatile business environments, strategists must broaden their horizons and think holistically when assessing strategic direction, strategic choices and strategy execution.

Proposed Strategy Formulation Process

Based on the findings of this study, it is imperative to forge a solution that addresses these identified concerns. This study proposes to adopt a process based approach; as it is considered one of the most effective management tools to improve how an organization is managed¹⁹. A process based approach ought to provide a structured framework to address the concerns identified in the previous section; as the ultimate goal of identifying and describing a process is, without a doubt, to implement the strategy efficiently. The main advantages of process based approach are¹⁹

- It provides a clear and global vision of the organization.
- Each process is assigned individual(s) who are responsible for it. Everyone in the organization understands their role in each process and knows how to help reach the organization's objectives.
- The work is not performed in an isolated manner and only focusing on having one part of the organization benefit. Instead, the goal is to work towards the common good.
- It allows optimizing the use of resources, thereby lowering and optimizing management and operating costs.
- Processes are measured, and objectives and indicators are established for each one.
- It fosters the continuous improvement of processes. Inefficiencies, organizational weaknesses, bottlenecks, and errors are identified quickly and methodically, thereby reducing risks.

Implementing process-based management is not only an operational change for organizations; it is also a change in mentality and in corporate culture. It involves breaking silos and having employees shift their focus from their department in order to view the company as a whole and understand that their work is an output that benefits the entire organization¹⁹.

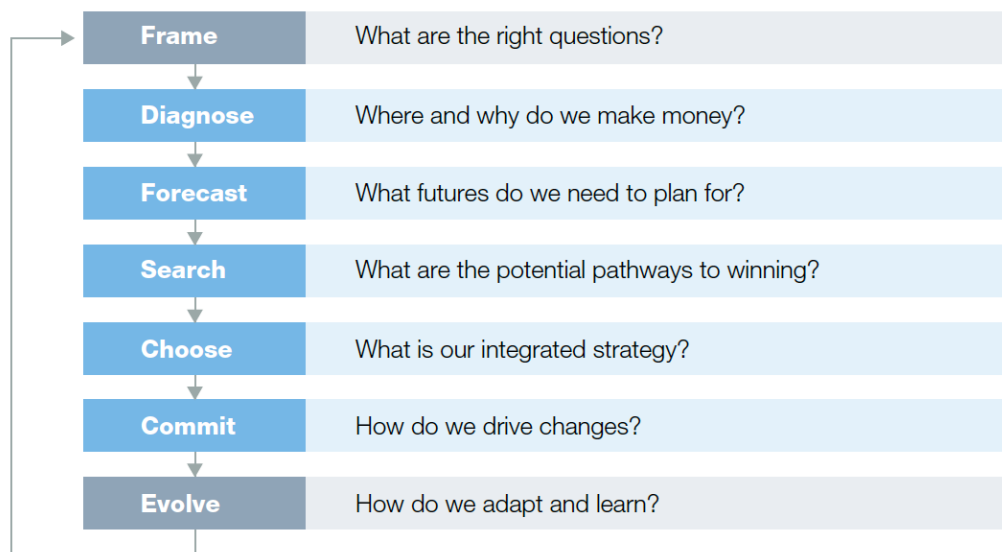
One of McKinsey's research also concludes that it's possible to load the dice in favor of developing good strategies

by focusing on the core building blocks that often get

overlooked¹⁷.

The research suggests taking a process based approach by answering key questions in building blocks

format to establish the facts before drafting the strategy.



Subsequent to establishing facts by going through aforementioned building blocks, the essential first step making a company's strategy work is to identify what value the company is going to offer to customers considering where the market is headed and considering the things the company is already great at doing. Then, leaders should determine the few capabilities that will allow their company to excel at its value proposition. Finally, companies need to commit to living their strategy every day and ensuring that it permeates every aspect of their day-to-day operations¹⁶.

Understanding the Core Elements

The most important ingredients of any successful process are to have discipline, persistence and commitment by all stakeholders in the process; without them, any or all endeavors are destined to fail. With the logical synthesis of all the learning points, this study proposes a process with the following steps:

Step 1 – Identify the vision. Why the company exist and what the company is trying to achieve.

Step 2 - Understand the Chain of Commerce / Supply Chain: Who sell to whom; who actually pays; and who actually use the product/service.

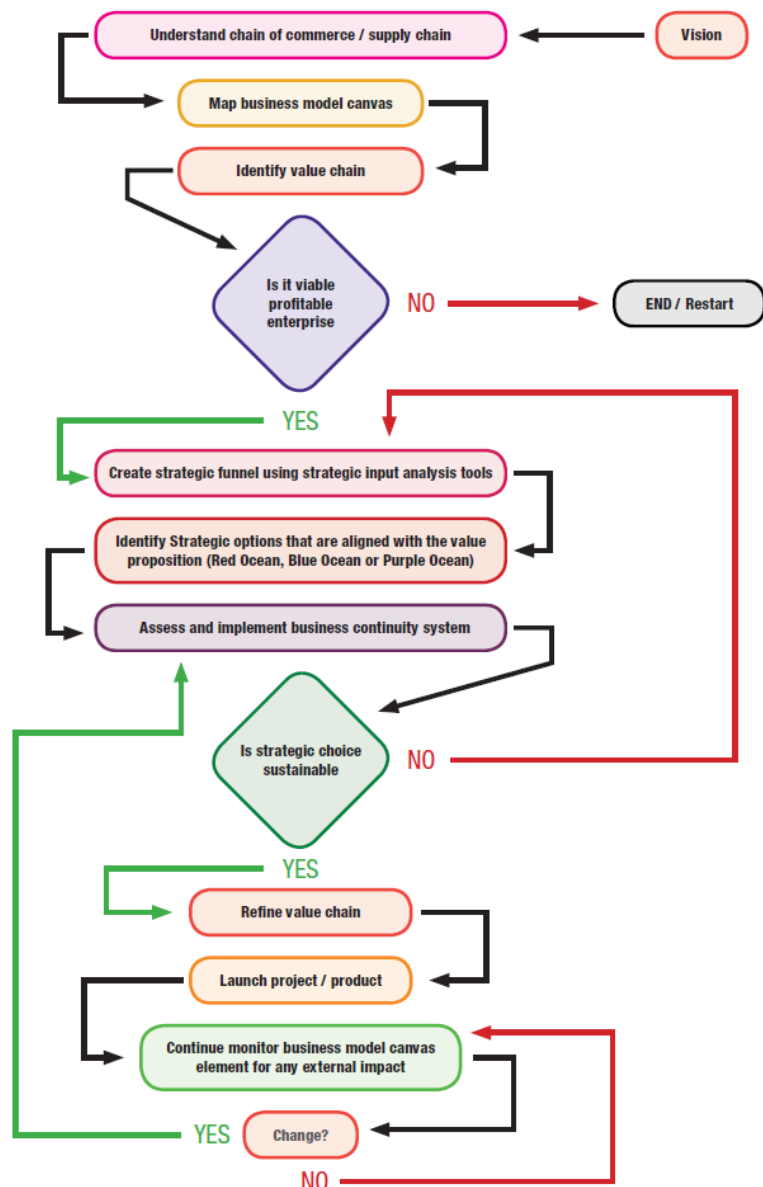
Step 3 – Map Business Model Canvas

Business Model Canvas is a strategic management and lean startup template for developing new or documenting existing business models. It is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances.

Step 4 – Identify Value Chain: A value chain is a set of activities that a firm operating in a specific industry performs in order to deliver a valuable product or service for the market.

At this stage of the process, it is imperative to assess if the Business Proposition / Project Viable? If not viable then either pivot / restart or even consider exploring other alternatives.

Strategy Formulation Process

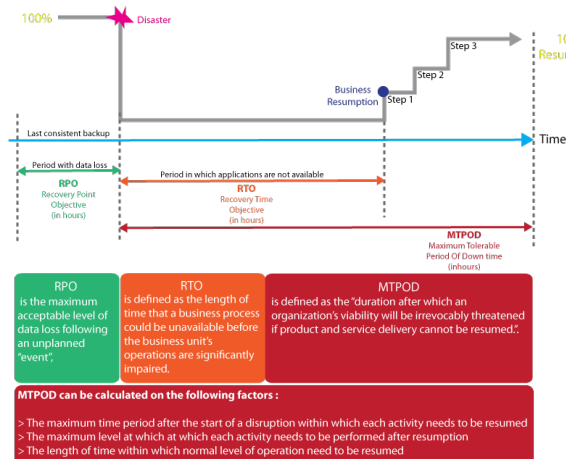


Step 5 – Create Strategic Funnel using Strategic Input Analysis Tools. This study investigated numerous tools that are deemed useful for input analysis e.g. SWOT, PESTLE etc. There might be even a case for a model that encourages unconventional wisdom¹⁸.

Step 6 – Identify Strategic Options aligned with the value proposition [Red Ocean - competing on Cost/Price; Blue Ocean - creating unique offering; or Purple Ocean - combination of Red & Blue ocean].

Step 7 – Assess and Implement Business Continuity Plan. Business continuity planning is the process of creating system of prevention and recovery to deal with potential threats to a company. In addition to prevention, the goal is to permit ongoing operation, before and during execution of the plan. Notably, business continuity is an established concept however it has been primarily utilized for disaster prevention and business interruption recovery.

Defining RTO, RPO and MTPoD



exist), recovery time objective (RTO) - a target by which business must return back to operation. These analyses help a company to chalk-out a business continuity strategy and a plan. Most popular framework to implement a BCMS is published by international standard organization (ISO) known as ISO 22301:2012. More details about business continuity can be accessed at <https://www.thebci.org/knowledge/introduction-to-business-continuity.html>.



GOVERNANCE → PLANNING → PLAN EXECUTION → MANAGEMENT

However, it is proposed to utilize this philosophy even for strategic planning purposes. The ultimate goal of a business continuity management system (BCMS) is to increase resilience of an organization when it encounters a disruption. It fundamentally enforces a firm to conduct business impact analysis (BIA), identify maximum tolerable period of disruption (MTPoD) - a period of disruption after which a business cannot sustain to

ISO 22301 CERTIFICATION PROCESS



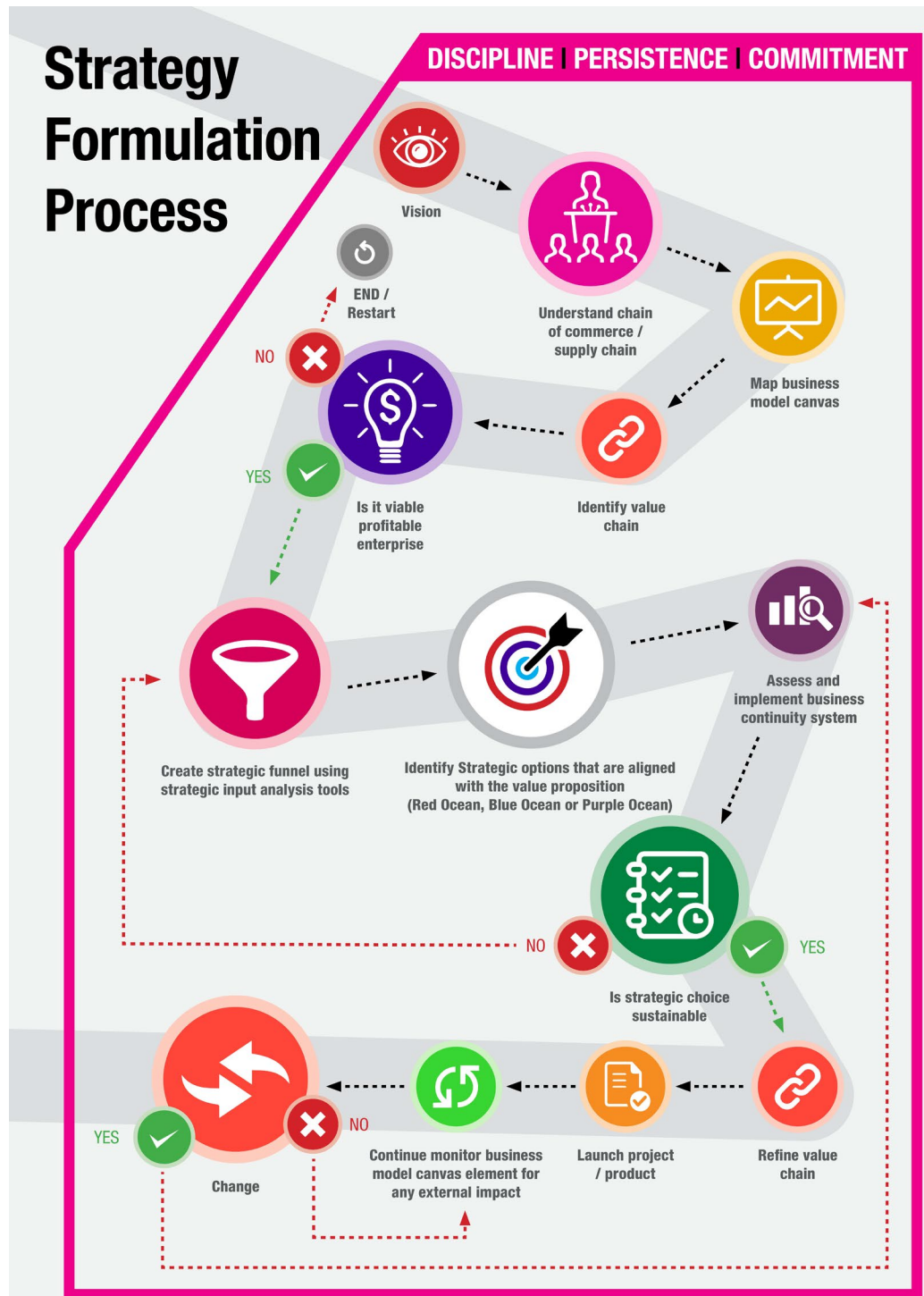
Subsequent to effectively drafting the business continuity plan, it is duly recommended to assess if the strategic choice is sustainable. It is important to continuously re-assess the feasibility and viability of the adopted model in the light of undertaken analyses.

Step 8 – Refine Value Chain - Based on the findings of this process, refine the value chain and value propositions for all stakeholders within the supply chain.

Step 9 – Launch the Product / Project – If determined to be appropriate time, launch the product/project.

Step 10 – Continuously Monitor the Business Model Canvas Elements for any external impact – It is one of the key steps as activities cannot be stopped at this stage; rather must continuously monitored. If any change in assumptions noted then feedback accordingly.

It is of utmost important to note that even though this propose process appears to be linear, however it's not meant to be used and must not be used or limited to linear flow. Instead, it must be used as continuous and cyclic process; where each process step must be continuously monitored for changes.



Discussion - Assessment of Hypothesis

Findings of this study indicates that the hypothesis *risk associated with uncertain business environments can be mitigated and a successful resilient strategy can be developed by following a process-based approach* indeed has theoretical merit. In order to further validate this hypothesis, the resultant/proposed 'Strategy Formulation Process' was retrospectively applied on two companies: one represented a corporate world and the other a fledgling medical device start-up.

Company 1 – Lloyd's Register Quality Assurance [LRQA]

Company Profile - LRQA is a recognised, world-leading professional assurance services organisation, specialising in management systems compliance and expert advice across a broad spectrum of standards, schemes and customised assurance programmes. They believe in unlocking the power of management systems to improve organisational performance and reduce risk. They deliver their services in over 120 countries worldwide to over 45,000 clients. More information can be accessed at: <https://www.lr.org/en/>.

Due to confidentiality constraints, explicit details of individual process steps have not been included in this report. However, the proposed process flow was shared with senior managers including Mr. Sameer Vachani – Head of Business Development at Lloyd's Register America. The proposed workflow was retrospectively applied during a dedicated brainstorming session with Mr. Sameer Vachani. He agreed with all the listed steps and concluded that in principle the proposed process flow has all the ingredients of an effective strategy formulation process. He particularly appreciated the introduction of business continuity concept. He actually shared an unforeseen incident his company encountered during 2016 when they learnt about Brexit. Being a British Notified Body (NB) - registered with UK medical products regulator MHRA¹ their business model and strategy was significantly reliant on the assumption that Britain remains integral part of the EU. However, he recalled that LRQA already had documented all the listed elements in one shape or another. Due to clear visibility of their business risks and impacts of unforeseen external triggers, the management quickly spotted the concern and started to work towards an alternative NB office in the Netherlands. Because of this proactive approach, they managed to not only curtail any potential customer anxiety but also gain a competitive advantage over four (4) other competitors in the same boat.

Mr. Sameer Vachani – Head of Business Development – LRQA Americas

This process has all the hallmarks of an effective strategy formulation process. We applied it retrospectively and it appears to have worked. With due permissions we may well explore the idea of introducing at least a variant of this proposed process in our organization.

Company 2 – Multi-sensor Diagnostics

Company Profile: Multisensor Diagnostics (MDx) is a digital health start-up company reimagining today's standards for chronic care management and health monitoring. They recognize that health is multifaceted and that no two patients are the same, so they provide a comprehensive solution that takes

¹ UK Regulator - Medicines and Healthcare Products Regulatory Agency [MHRA]

a daily snapshot of patient's overall health and translates care that is personalized to patient needs. More information can be accessed at: <https://www.multisensordiagnosics.com/>.

Due to confidentiality constraints, explicit details of individual process steps have not been included in this report. However, the proposed process flow was also shared with Mr. Sathya Elumalai, CEO and Co-founder of a start-up company 'Multisensor Diagnostics'. The proposed workflow was retrospectively applied during a dedicated brainstorming session. Mr. Elumalai found this process flow very insightful. He admitted that his team was so focused on product development, they did not think of 'chain of commerce' and 'value chain aspects'. Particularly he found our

Mr. Sathya Elumalai – CEO / Co-Founder of Multisensor Diagnostics

This strategy formation process was useful in providing excellent framework for designing and evaluating our future direct-to-customer solution. Using this flow, our team effectively evaluated resources, allocated budgets and finalized a robust strategy that hopefully will maximize our ROI. It promises to better prepare us for unforeseen challenges and uncertain environment.

discussion around 'who pays for their product' and 'who uses' the product' an eye opener. While they had used SWOT on various occasions however it was only from product development and product features perspective; rather than holistic business operations perspective. Business continuity concept was another revelation to them. He shared that had he known and used this concept, they probably would have avoided one of their unpleasant and distasteful experience with their manufacturing partner; who after initiating the project backed out after six (months) into product development. That one experience alone had a significant negative impact on their product development cost.

While initial indications are indeed positive, however limitation of these results are duly appreciated; as results are based on retrospective application of this model on only two (2) companies with limited potential variabilities. In order to thoroughly assess effectiveness of this model, significantly larger sample will be required with numerous scenarios. Awareness of the concepts used in this model will indeed play an instrumental role for further progression. Therefore, a larger sample under supervision of seasoned key opinion leaders ought to give confidence to business leaders to draft their business strategies utilizing this model.

Conclusion

Having a robust business strategy is paramount for any successful and sustainable enterprise. However, drafting a successful business strategy can be a challenging & daunting task; particularly in uncertain environments. Despite availability of numerous effective tools for strategy making, companies keep failing to maximize full advantage of these tools. While leaders begin with good intent, however lack of vision, clarity of value proposition (for their stakeholders), defined priorities, discipline, commitment and resource invariably pave the way for strategy failure. This study has shown that a process based decision making framework can be an effective way to facilitate strategy formulation. A unique sequenced workflow along with 'Business Continuity' management philosophy is being proposed that deemed a feasible option for drafting a resilient strategy; even in uncertain environments.

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Appendix

LinkedIn Survey Questionnaire:

Q1. How did you come up with your current business model?

Q2. Have you defined the value proposition of your main product or service?

Q3. Do you have any strategy or long-term objective(s)? If so, can you list it/them?

Q4. What kind of reflection and/or analysis (or even any “aha” moment) helped you find your long term (2+ years) strategic ideas in order to position your business among your competitors?”

Q5. Have you allocated resources (time, money, people) to your strategic idea(s)?

Q6. How do you make business strategy decision?

- Use expert opinion / consultant advice - – consider adding comments in comments section
- CEO / Owner makes the decision- – consider adding comments in comments section
- Process based [follow a established standard operating procedure] - – consider adding comments in comments section
- If you use process based, what tools do you use [e.g. Porter’s Five, SWOT etc.] – consider adding comments in comments section
- Other – consider adding comments in comments section

Q7. Do you feel your current practice (Q6) for strategy decision making works / effective?

- Yes – Add Comments
- No – Add Comments

Q8: What is the size of your company?

- Start-up [1-5 employees – less than 2 years old company] -
- Small to medium sized enterprise [11-50 employees – < 2 > 5 years old company]
- Medium sized Enterprise [51-1000 employees - < 10 > 20 years old company]
- Established enterprise [More than 1000 employees > 20 years old company]

Q9: What industry your company is in?

- Design / Development and Manufacturing Products
- Merchandising Business [buy bulk (whole sale) and distribution / selling of Products]
- Services Company [intangible products / consultancies etc.]
- Other – Specify in comments section

Q10. Do you wish to receive results of this survey or study report?

- No
- Yes - If yes, please consider sharing your email address

COMPANY PROFILE

Razalution Bureau is a management system consulting and training firm specializing in business assurance models. Our clients have come to trust us for our deep subject matter expertise and proven ability to deliver long-term results. Our fluency in business management system improvement methodologies allows our customers to boost performance while safeguarding or improving value for their shareholders and stakeholder alike. Our comprehensive solutions are designed to help you achieve and maintain sustainable commercial success. We facilitate our clients to:

- Understand /fine tune their vision, and identify their 'value proposition'
- Formulate their short- and long-term competitive strategy
- Develop their management system
- Formulate (medical devices) regulatory compliance strategy
- Provide comprehensive customized trainings for global medical device regulations, Quality / Business Management systems, Problem Solving and Soft-skills & organizational behaviour.
- International and Organization Culture Awareness through Hofstede Cultural Dimensions.

CONSULTANT PROFILE

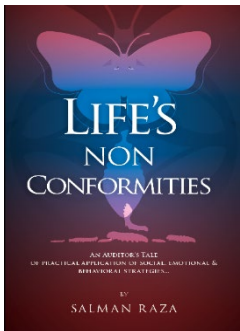






Salman is a visionary and reformist at heart who has a passion for assisting companies and developing win-win partnerships. Through professional development and academics (MEng, MBA, MS) over the last two decades he has conquered medical device regulations, management systems, strategy and organizational culture awareness. As the founder and Principal Consultant of Razalution Bureau, Salman assists companies with business assurance services and helping them realize their potential by providing 360 degrees in services; i.e. from vision, strategy, management system development & training, regulatory strategy to effective team development through harmonized & productive work culture. Before establishing Razalution Bureau, Salman has worked in R&D, Manufacturing, QA/RA within medical devices industry and subsequently worked over a decade as

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MBA Innovation Management & Entrepreneurship		Institute of Leadership Management		
MS Strategic Management		Lloyd's Register		
		LNE-GMED		



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- » Customized Training

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