

building growth in times of uncertainty



the challenge : how to secure our future

The global construction and engineering industry has been under significant commercial pressures over the past few years. In the UK, the recession has hit the residential and commercial housing sectors very hard and many large-scale public sector investment projects in the nuclear, highways, education, defence and healthcare sectors have been delayed or cancelled.

Our client was a UK subsidiary of a global engineering and construction company and faced a number of key challenges:

- how to enable individual business divisions to build robust 5 year strategic plans;
- how to build a strategy that accommodates financial and political uncertainty;
- how to secure critical business investment funding from the global HQ.

The client's business model was a complex one, with company interests spanning 19 market sectors and over 5,000 employees focused around regional centres and in specific business divisions. Business divisions had high levels of autonomy and had only engaged in local business planning exercises in the past.

The UK CEO recognised that the business needed to do something very different in order that it could remain competitive and secure critical global investment funding at this time of extreme financial and political uncertainty. We were asked to provide consulting and coaching support to build a robust organisation-wide 5 year strategic plan that could clearly differentiate the UK from other company subsidiaries.

We focused our work on creating a multi-dimensional strategic planning process:

- **bottom up:** support business divisions to generate robust market sector plans
- **top down:** provide a unified organisation-wide approach to ensure consistency
- **outside in:** help the organisation make sense of complex business environments
- **inside out:** focus on what can be achieved through reconfiguring existing resources

The client's priority was how to remain competitive and secure investment at a time of extreme financial and political uncertainty.

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our approach : focus on process and people

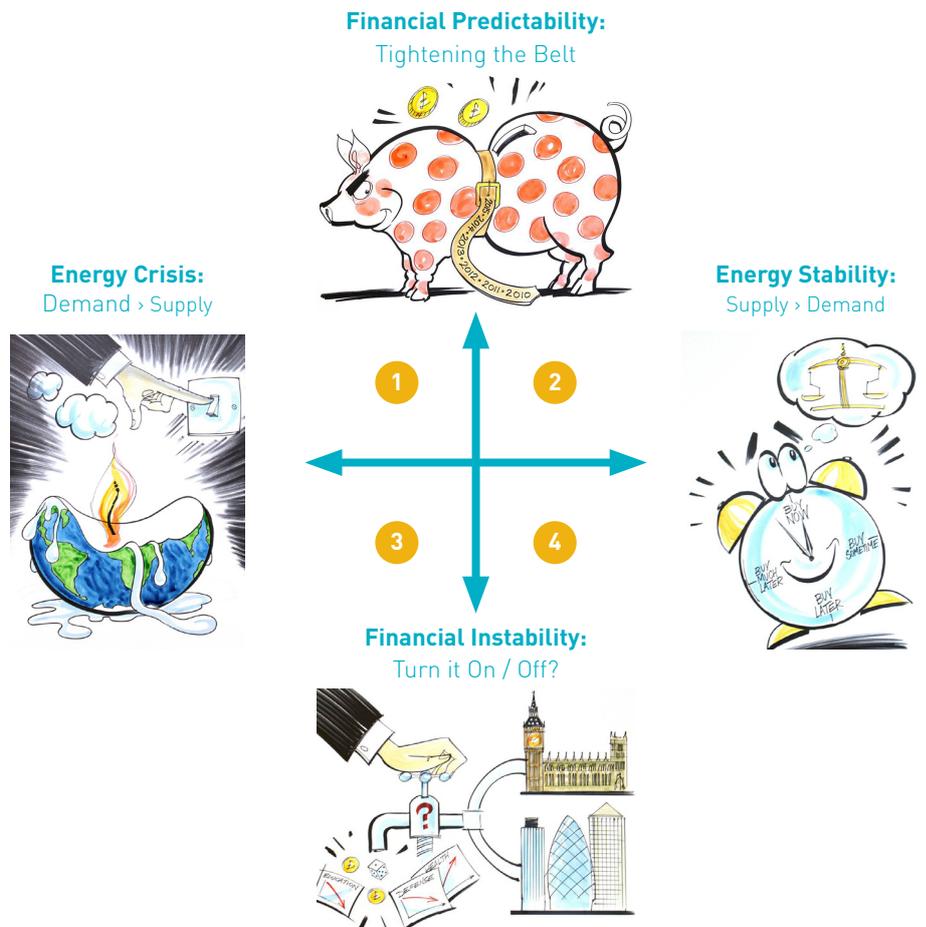
We started by working with the executive management team to consider the challenges the organisation faced and what a strategy process could look like for the business. Key resources were identified across the organisation to support the development of the divisional and organisational strategic plans. The agreed strategy process focused on five distinct phases of work:

- Data / Information Gathering
- Environmental Sense-Making
- Organisational Sense-Making
- Financial Reporting / Consolidation
- Strategic Plan Creation / Submission

The project took place over a 6 month period and our primary role was facilitating conversations with senior teams and coaching individual directors and colleagues to build robust divisional and organisational plans. We provided key training for strategy team members on some of the more conventional strategic planning tools (e.g., SWOT, Porter's 5 forces, stakeholder analysis) and some of more contemporary approaches to accommodate strategic uncertainties (e.g., scenario analysis, competitor war gaming).

One of our aims on this project was to inspire clear, fresh thinking among the senior divisional and executive team members. We designed and facilitated a large group workshop where colleagues were exposed to some of the inherent uncertainties that exist within the UK marketplace over the planning period. This scenario planning exercise created four possible futures that incorporated the major uncertainties:

Our primary role was facilitating conversations with senior teams and coaching directors and colleagues to build robust strategic plans.



Once the scenarios were created, each Division was required to consider how their plans would stand up in each of the four future scenarios.

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We continuously challenged the thinking of individuals, divisions and senior teams to maximise creativity and avoid complacency.

We also helped design and facilitate a competitor 'war gaming' exercise to simulate how some of the main organisational competitors would react in the four future scenarios. Colleagues were recruited from a 'diagonal slice' of the organisation to build a comprehensive analysis of each of the main competitors and to participate in the war gaming workshop. Following a SWOT analysis of each competitor, projections were made of the competitors' future plans and areas of focus, their financial performance and focus on new markets. This information was then communicated to the relevant divisions for incorporation into their planning process.

Throughout the project, it was important that the client remained focused on the scale of the challenges facing the organisation. This required us to continuously challenge the thinking of individuals, divisions and senior teams to ensure they maximised creativity and avoided complacency. A key area of challenge was how different divisions could pool resources to more efficiently engage their customers. This resulted in the acceleration of a regionally focused business model and the restructuring of some key business units.

the outcome : a triple degree of success

For the client, there were three key measures of success for this project:

1 Were global HQ satisfied with the quality of the UK strategic plan?

The global team provided feedback to all countries on the quality of their strategic plan. The UK operation was ranked 2nd out of 20 in terms of the clarity, quality and robustness of their plan and were congratulated for some of the innovative approaches they had developed to ensure resources were being effectively utilised.

2 Did UK Executive Team members secure the required investment from the global HQ?

The strength of the strategic plan submission put the Executive Team in a very strong position to successfully negotiate their operational targets and secure critical global funding for new business development areas.

3 Did Divisional Directors feel accountable for the delivery of the strategic plan?

The involvement of colleagues from across the organisation proved to be a major factor in the success of this project. Divisional Directors were accountable for the development of the plan throughout the process and were challenged to think differently through key inputs and strategic stimuli. This enabled the plan to benefit from multiple perspectives and ensured the management team were unified at the point of submission.

For us, this project was an opportunity to demonstrate how individuals and organisations can successfully engage in the complexities and uncertainties that exist when developing robust organisational strategies.



We chose different business to help us develop our strategy in a different way from previous years. They challenged us to look and think outside the box and develop creative strategies to ensure we evolve over the next few years.



— Chief Executive Officer