

REINVENTION SUMMIT 2020

# WORKSHEET #2

STELLAR Strategy  
Framework



The field of strategy is all about consistency. You choose a direction and you stick with it.

Yet, with today's speed of change, how should we approach strategy in a world that is so volatile and unpredictable?

Drawing on two distinct schools of strategy, deliberate and emergent, I offer you insights on how to reinvent your strategic thinking - so you can share this information with your team, clients, or your boss.

Let's watch the corresponding training video, get all the facts, and turn to the exercises below. Per usual, you can print this PDF for future reference and write your answers into it - or keep going with a notebook or a Google doc you started earlier.





# In the world of speed and uncertainty, is strategy even needed — or even possible?

Our answer is the absolute and resounding YES — but it comes with a big BUT.

To make a strategy work **today**, we have to move from Deliberate to Emergent framework — and instead of looking at strategy as a fixed rigid plan, we need to create a format and a process that allow for continuous reinvention.

«There are two people, and only two, whose ideas must be taught to every

MBA in the world: Michael Porter and Henry Mintzberg. This was true more than 25 years ago, when I did my MBA at USC. These are two academics who have had real impact for a long time,» [writes](#) Professor of McGill University and Forbes contributor Karl Moore. «Both have been very influential in the study of strategy, an area of considerable interest to many Forbes readers. You can contrast their two views

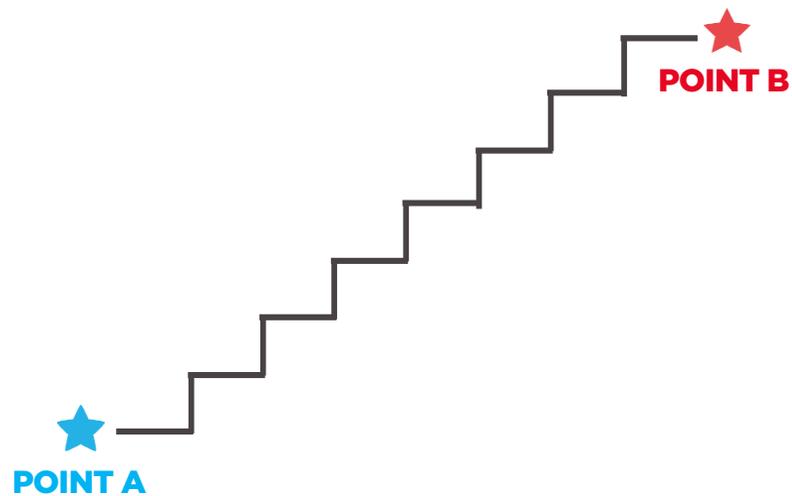
as Porter's taking a more deliberate strategy approach while Mintzberg's emphasizing emergent strategy. Which one is more useful today?» Before I give you my answer to Moore's beautiful question, let's make things super-transparent: I had a chance to work closely with Henry Mintzberg while co-teaching long-running Roundtables for Practicing Managers for a number of years. Henry has also been

an amazing help developing ideas for my previous books. While I have never met or worked with Michael Porter, I have always used his models in classrooms and boardrooms and continue to do so whenever possible. So, this is not about kicking somebody to the curb. It is about developing strategic sophistication that our fast and volatile world requires today.



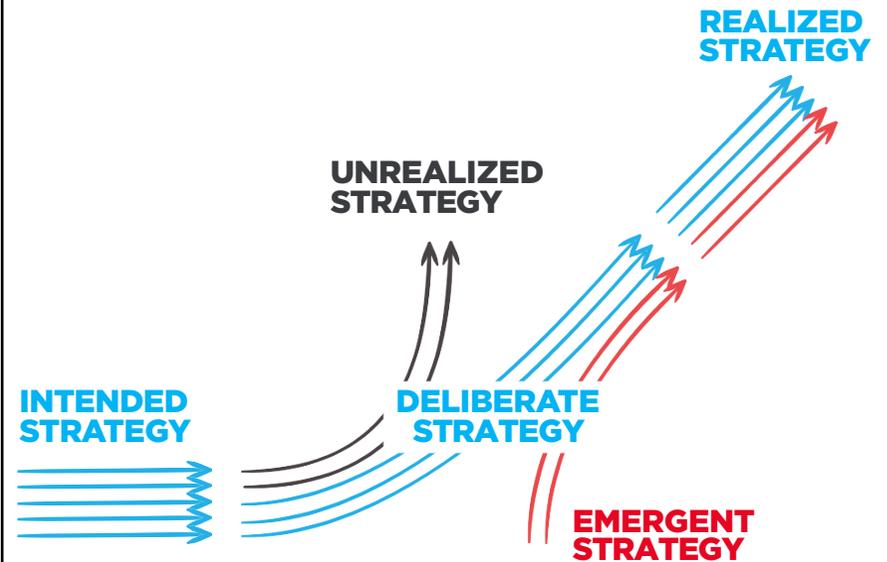
# So, what's the difference?

## DELIBERATE STRATEGY



Emphasizes the role of thinking and planning before acting. Here, past performance data goes through the in-depth analysis to serve as the basis of all decisions. Most important decisions are made before a single step is taken — often at a posh executive retreat with the support of an external consulting company. Once the decisions are made, implementation kicks in — as a separate step of pure execution.

## EMERGENT STRATEGY



Emphasizes the role of trying and learning as a part of strategic process. Here, strategy emerges over time as plans collide with and accommodate always changing reality. Most important decisions are made throughout the entire process and are often based on the first set of actions taken and feedback received. As such, emergent strategy is all about turning your organization into a place of constant learning, adapting, and reinventing.

# Now that we have clarity on the difference between the two, which one — deliberate or emergent strategy approaches — works best today?

I am sure I gave my answer away already in the descriptions: indeed, for the world where things move fast, building flexibility and reinvention into a strategic process becomes crucial.

2007 book by the brilliant thinker Nassim Nicholas Taleb titled «The Black Swan: The Impact of the Highly Improbable» introduced us to an idea of «[black swan](#)» — a high-profile, hard-to-predict, and rare event that is beyond the realm of normal expectations in history, science, finance, and technology. There is no question that such event, if happens, should highly impact our strategy.

And the key word in the definition of «black swan» is **rare**.

Indeed, a long time ago, when the organizational (and cultural) cycles were long and change was rare, black swans were rarely seen.

But today, the situation is drastically different. I type these words in June of 2019 — on a remote location working with a global client on scenarios that it [the client] should be ready for: the uncertain future of Brexit, the unclear results of US-China (and the whole world) trade war, emerging threats of new violent conflict in Iran, new deaths in Sudan uprising, every kind of threat of ecological disaster from climate change to loss of species to catastrophic disappearance of forests, and much more...

Here, no matter what sophisticated analysis of the past I bet on, it says little about survival in the future.

At the moment, all the swans look black.

And that's exactly when emergent strategy comes handy. It gives you flexibility and agility needed to adapt to a new emergent reality. It forces you to learn with a real-time data and grown competencies of organizational foresight.

Sounds good, right? But how exactly does it work?

We asked this exact same question years ago while working with particularly difficult reinvention cases — and could not find a model that was pragmatic and tangible enough to fit the needs of a real business in real life. Instead of looking at strategy as a fixed rigid plan, we need to create a format and a process that allow for continuous reinvention.

But nothing that was available on the market fitted the needs.

**So, we decided to invent our own tool.  
Behold, our STELLAR Strategy Model!**

# STELLAR Strategy Model

Consisting of a set of questions to use along with a canvas, this approach allows you to go through a sequence of decisions (sometimes iterative- ly) that allow you to launch and maintain a new strategic process.

To get familiar with the model, we suggest you first test this model alone as an exercise and then bring it to your team or client organization.

## 1. Define your starting position — your Point A.

It might be a no brainer — you know where you are — but practice shows that different parts of the company and different leaders might see that spot VERY differently. Be as specific as possible and get exceptionally clear on how you measure Point A, what are the defining characteristics? Is it market share? Customer satisfaction level? EBITDA? Anything else?

### STARTING POSITION (ST)



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## 2. Define your desired end position — your Point B.

Get super-clear on the defining characteristics of Position B: what is non-negotiable? Is it the financial aspect of the desired space? Customer segment? What mark do we have to hit — and what is optional?

Notice a crucial shift here: instead of defining B as a point, we invite you to think of it as a position — an area that covers a range of possibilities.

Thinking of this as a range (rather than a singular point with one set of strategic goals) gives you the flexibility necessary to adapt to a changing environment. So, it is important to figure out your range deliberately and clearly — and celebrate when you hit any point within the defined range.

Make sure the way you measure A and B are perfectly aligned: if you think that currently, you are not doing a good job measuring success, it's time to come up with a new way of measuring. What does your Position B look like and how will you know when you get there?

### END POSITION (E)



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#### 4. Define your first set of actions — specific steps to take you from Point A to point B.

A strong and successful strategy must take you from ideas to actions, from talk to walk, from theory to practice.

The crucial thing to remember here is this: all your actions should serve as a way of testing a hypothesis — as a way to play with a question — and not as a declaration of the one and only right answer.

So your first set of actions should ideally represent a collection of different hypotheses you want to test.

You think product reinvention will be required to stay competitive? Begin experimenting with product changes.

Think that future competitiveness depends on entering a new customer segment?

Start with testing.

Perhaps a new process would offer an incredible advantage? Don't think of it as a final decision, rather think of the first actions as prototypes.

If any of the chosen actions — experiments — don't work, you will have a chance to change them in the process.

Testing, playing, and prototyping are the right frames of references. They allow your company to embrace agility and reinvention as part of your strategic management.

So, what are the first steps you can take that will allow you to run the best combination of tests and experiments? How will you measure the success of each test — what is the KPI for each action?

ACTIONS (A)	KPIs
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### 5. Choose the date and format for your first strategy review.

The first meeting for emergent lessons, revisions, and strategic course-corrections.

REVIEWS (R)
When (date)  .....
Where (location)  .....
Who (participants)  ..... .....
What (format and agenda)  ..... ..... .....

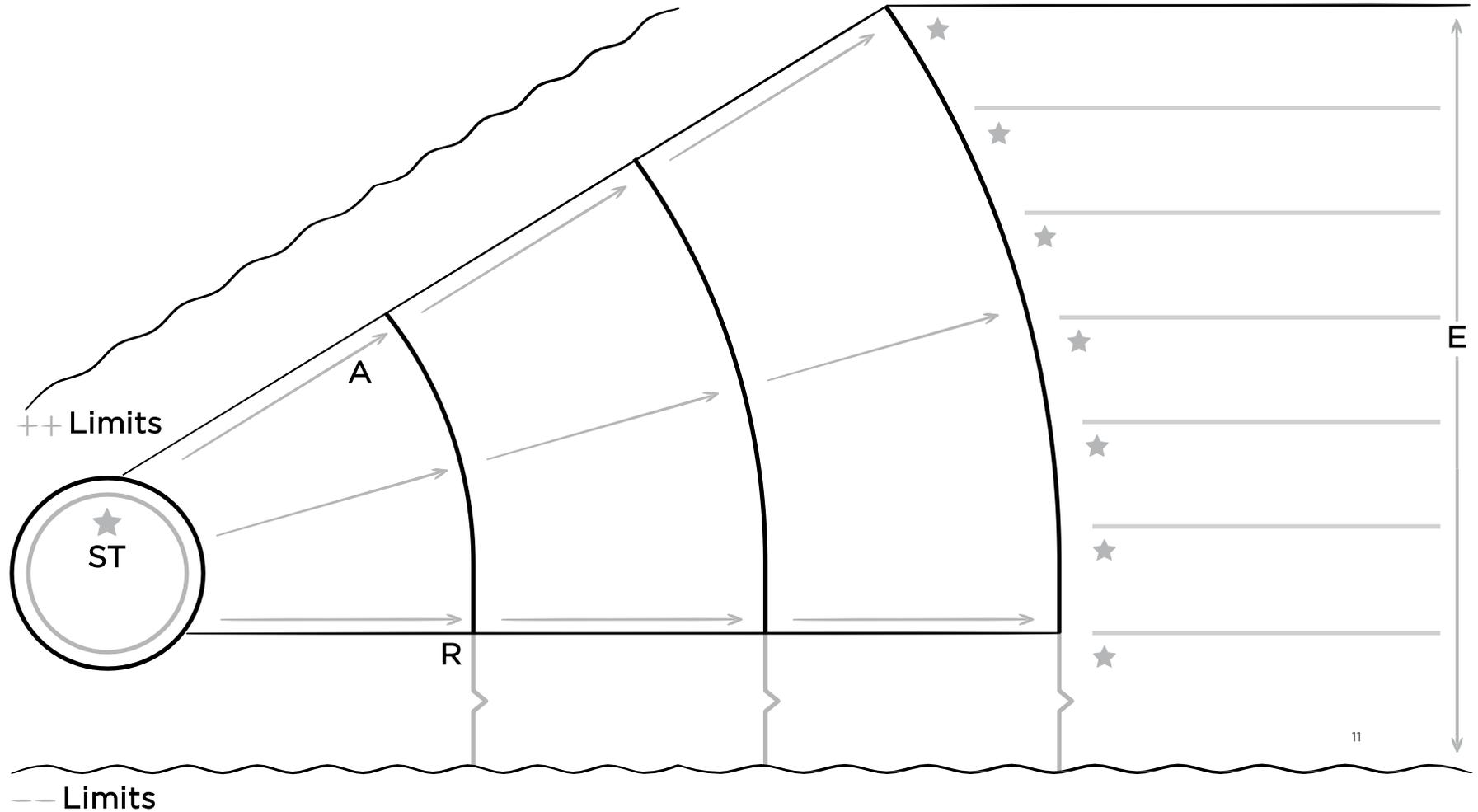
Together, the questions help you guide the discussion while the canvas organizes the information visually — and shows places of possible alignment or misalignment. Time to roll up your sleeves!



# STELLAR Strategy Model

Company

Date



# Find this exercise useful? Get more – and share with others!

In the middle of the global COVID-19 crisis, it's our goal at Reinvention Academy to give you as much support and proven tools as we can – and we hope **you can help us get those tools in the hands of others who need them.**

Here is how to do that:

1. Use this tool and share your #WIN or #AHA inside our private Facebook Group – [Reinvention Society](#) – or tag Dr. Nadya Zhexembayeva along with your post your reflections on [LinkedIn](#) or [Twitter](#). The power of this tool is in using it – and you will serve as an amazing role model for others!
2. If you have not yet registered for our global free live REINVENTION SUMMIT, do it now – even if it already passed – to get more tools and videos on what to do amid crisis: <https://www.learn2reinvent.com/summit>
3. Share the SUMMIT link with your friends and colleagues by email or on social media – and share what you got from the SUMMIT

In the meantime, we'll keep working on more tools and support we all need at this unique time of our history.



Nadya

