



The Recipe for Developing and Executing a Winning Strategy

If you can't stand the heat, get out of the kitchen

A popular reality TV genre has contestant chefs improvise a sequence of dishes in front of a panel of judges who sample and determine the best dish. The typical competitive environment includes the mandatory use of a set of unique ingredients, access to typical tools found in any kitchen, and, of course, an insufficient time-window to achieve success. After each round of dishes, a winner is announced while another contestant sulks away in misery having been told their choices just didn't cut it. Sometimes those dismissals are polite. In other cases, they are insultingly cruel.

You may not have competed in a televised cooking show, but you probably have experienced the corporate equivalent of one of those dismissals while delivering a strategy or business update. As you click through your presentation, each slide reinforces the same disappointing results. At the far end of the table, with a look bordering between exasperation and anger, your boss, your CEO, or your Chairman is starting to ask questions. He probes for understanding, trying not to seem accusatory, but his opinion is getting clearer—slide by slide, question by question, comment by comment.

And then he says, "Let me summarize this. After two years of effort, advice from the best consultants, a customer-centric focus, generous budget, and a team that was aligned and 'all-in,' are you saying we are losing? Why aren't we achieving our goal?" He follows quickly with two questions you don't have answers to: "Is it our strategy or how we executed?" and "What do you propose we do now?"

Never mind how you responded, you are likely troubled by your own lack of clarity. Nothing in that stack of business articles on your desk seems relevant now. The frameworks and approaches you chose seemed insightful and compelling. The plan had all the elements of a winning strategy. Everyone on the team was committed to collaboration and accountability. You did everything right, and yet, you are searching for an explanation.

So now what? The shareholders are getting edgy. The banker briefings suggest activists might be lurking. Urgency is apparent, but for what? Where do you even start? How do you begin to answer the strategy-or-execution question? What is the recipe for success?

Many of the CEOs, GMs, non-profit executive directors, and government agency leaders we work with have shared a story like the one above. Sometimes they were the senior executive feeling anxious and inadequate; sometimes they were the questioning CEO. In all cases, they felt confident when they launched their strategies. This early optimism is quite common; seventy-five percent of leaders rank their strategies as exceptional, yet multiple long-term studies of performance show that most strategic initiatives do not actually achieve their goals.

Leaders need a better recipe for defining and executing an organization's strategy. In the following sections, we share a winning approach—developed and validated over two decades. The method uses advanced analytical techniques delivered in an easy-to-adopt framework. This approach helps leaders define, measure, drive strategy improvements and deliver results.

19 Million Ways to Make a Hard-boiled Egg

Breakfast, so the saying goes, is the most important meal of the day. The primary choice for Americans in the morning is an egg. Scrambled eggs are the preference for about 1/3 of the population. Hard-boiled eggs are apparently the least favorite style, chosen by just 6%. So it

The Recipe for Developing and Executing a Winning Strategy

might surprise you to learn that 19 million hard-boiled egg recipes have been published on the internet.

It probably strikes you as completely unnecessary to consider so many different approaches to make a hard-boiled egg. However, when leaders choose an approach to develop and execute a critical business strategy, they face a seemingly limitless number of options, and this represents a real challenge. Here, the risk to making a poor choice is much higher; teams don't get the luxury of "trying something different next time."

First, leaders must decide between developing their strategy internally or hiring one of several different types of consulting firms. With a consultant, the framework, approach, and tool decisions are made for the team. When a leader relies on in-house resources, the team can select one of the 500+ well-marketed frameworks. There is even a book that describes a strategy for choosing a strategy framework.

Once a team has developed its strategy, they then have the more critical task of implementing it and delivering results. Again, there are thousands of published approaches for goal setting, execution, and performance management. Popular ones include Balanced Scorecards, OKRs, and some aspects of the Toyota/Lean approach. There are also a host of software packages that help define, track, and ensure accountability for strategic success.

One gap in many of today's offerings is experienced when a team is not meeting their expectations. Rarely do the strategy development or execution tools provide direction when their use is not delivering results. These tools provide limited guidance on how to get things back on track.

Despite claimed differentiation and uniqueness, the sheer number of similar frameworks is a roadblock to someone seeking to simplify the complexity of the business environment today. What confidence can you have in your selection of consultants, tools, and approaches when it is next to impossible to evaluate, compare, and objectively select among them?

A Recipe for Toast?

When you hear a judge ask, "Do you want the recipe to make toast?" you know they are teasing. The sarcasm works because making toast is simple and doesn't require a recipe. However, if someone were trying to make a chocolate soufflé for the first time, the question of whether they need a recipe would be rhetorical—of course they would, and they likely wouldn't try to make it the first time during a contest.

Whether it is a quick snack or an elaborate meal, there is a simple and universally understood set of steps to plan, prepare, and serve a meal. The steps include deciding what to serve, making a shopping list, procuring the ingredients, gather the equipment, pre-heat the oven, and so forth. This sequence is so consistently used it can be called a canonical approach. This may be an unfamiliar term, as it is generally reserved for math problems. A canonical approach means you are using the simplest and most complete way to accomplish a goal. Developing a canonical approach to cooking happened naturally over hundreds of years.

When a leader begins to develop and execute a new strategy, the descriptive cooking-show analogy is more like "create an elaborate Michelin star-worthy meal with just the ingredients in the fridge, limited time, and limited budget." What leaders need is an approach and tools that are the business equivalent—a canonical approach for developing and executing strategy. Until

The Recipe for Developing and Executing a Winning Strategy

now, no one has created a canonical approach and the necessary tools for strategy development and execution. This is what we have done.

A canonical approach eliminates the gaps in many strategy frameworks. Being a mathematical approach, it replaces the ambiguity and imprecision of language with operating metrics that enable superior, agile decision-making based on facts. Lack of mathematical rigor in their foundation is the reason why the many strategy frameworks sound different, but in actuality are quite similar. Take the following example of two companies which used different frameworks to address a similar business opportunity:

	Company A	Company B
Framework	SWOT analysis	Trend Analysis
Input	"The Metaverse" is put in the "O" square of the SWOT table	"The Metaverse" is listed as an emerging trend that needs to be followed

When comparing them a leader is left asking "Is the Metaverse a trend or an opportunity? It can be both, so maybe the conclusion is choice of the framework isn't important. However, consider how the same two frameworks differ with respect to evaluating competitors.

	Company A	Company B
Framework	SWOT analysis	Trend Analysis
Input	"Competitor X is the market leader" is put in the "T" square of the SWOT table	Competitor position is expected to... <i>(perhaps a prediction is written or nothing is entered)</i>

In the one framework, competition is considered in the current state, in the other it is pure speculation. A leader would need to combine frameworks leading to gaps or duplication and extra effort. This the reason for the proliferation of frameworks and tools that all seem quite similar but can be justified for their unique perspectives. So how many tools is enough? Which are the right ones for your situation? You want a simple, but complete, approach that doesn't require you to evaluate dozens of tools for relevance.

Below is a canonical approach to develop and execute a winning strategy, alongside the analogous canonical approach to create a meal that delights your guests.

Activity	Your Delightful Meal	Your Winning Strategy
Define success (the what)	Choose your appetizer, entrée, and dessert	Choose your business goals, objectives, or compelling vision
Identify what you have to work with (the constraints)	Assess what is available in one's kitchen and what can quickly and easily be purchased in the time window available	Assess the internal and external constraints and trends, and clearly understand the availability for financial investment
Figure out how to achieve success (the how)	Develop/choose the recipe(s)	Develop the strategic initiatives and alternatives
Execute	Follow the recipe	Define and execute the company operational plan
1. Plan		

The Recipe for Developing and Executing a Winning Strategy

<ol style="list-style-type: none"> 2. Create value through process execution (technique) 3. Deliver value to customer 	<ol style="list-style-type: none"> 1. Assemble the ingredients and tools 2. Use the ingredients by working through each recipe step 3. Plate and serve 	<ol style="list-style-type: none"> 1. Define the functional goals 2. Run each functional playbook 3. Connect with customer at each phase of his buyer journey
---	---	--

This is a superior approach to typical frameworks because:

- 1) The list of steps is complete.
 - Eliminate any one of these steps, and you will not achieve success.
- 2) Each activity is completely separate from the other
 - You wouldn't expect to do any of the steps described in one row as part of another part of the row. You may do them in parallel, but they are not interchangeable.

This foundation for developing and implementing a strategy is not complete until we also answer the question: "How do you assess whether the strategy you develop is actually good?"

A pinch of salt, a dash of sugar and about 1 ¼ of cups of flour

One of the authors' mothers often served a wonderfully complex coffee cake with the misleading name of "sour cream spice cake." She never used a printed recipe, and when she passed away unexpectedly, that recipe was lost to the family. No amount of internet searching or attempts at reverse engineering produced anything even close to the original. Several years later, he surprisingly enjoyed a piece of what tasted exactly like the spice cake at a small private celebration. It turned out the source of the cake was a visiting grandmother who lived in the same region as his mother and who also had never written down the recipe. When he asked if he could have it described and write it down himself, he was told "it's a pinch of this, and a dash of that..." In the end, it required helping to make the cake and carefully measuring each ingredient as the grandmother decided what was "just right."

No recipe is useful if it doesn't specify the quantity of the ingredients. Without consistent quantitative approaches to describe a strategy, leaders cannot compare two alternative strategic initiatives, or compare their strategy to a competitor's. Simply estimating market share gain or predicting financial performance is insufficient, since comparing the desired outcomes of a strategy doesn't actually assess the strength of the strategy itself.

The superior way to assess a strategy is to estimate the value developed and delivered to the end customer. The more value delivered to the customer, the more likely your product, service, or offering will be chosen. We explicitly don't recommend computing ROI because in many cases, a winning strategy may include a temporary loss-making set of initiatives. An organization can choose to take a loss to accelerate growth for some period of time, it can't do this indefinitely.

The approach described in this paper saw early success for the more limited objective of defining and measuring the role and responsibilities of a specific functional job like engineering. This was expanded to enable measurement of a company by considering two principles critical for business success. The first principle, described in books and articles for decades, is that *businesses exist to create and deliver value that customers will pay for, using*

The Recipe for Developing and Executing a Winning Strategy

the smallest amount of resource. Moreover, an organization that delivers the most value will gain market share, and one that also minimizes costs, will generate the largest profit. The second principle is that *there must be consistent customer-based quantification of the delivered value.*

Since the actions of creating and delivering value to customers is accomplished through a set of business processes, quantifying the relative strength of a company's business processes is the ideal way to assess a strategy. This approach is applicable to product, service, and platform or network companies.

Comparing the effectiveness of business processes between companies and industries requires more than evaluating typical KPIs. Developing the necessary algorithms is a challenging mathematical effort which we have completed. Although the algorithms are complex, they are easy to apply without a detailed understanding of the underlying mathematics.

We found it helpful to separate the evaluation and comparison of business processes into two groups. We call these two groups the Customer Value Creation processes and the Business Value Creation processes. The best way to visualize the strength of these processes is to plot them together with a radar chart as we show in Figure 1 below. There are six dimensions of business value creation and six dimensions of customer value creation—we call them engines. There is an obvious relationship between the two: each business value creation process engine has a matching customer value creation process engine, and these occur sequentially. A leader can think of a company's execution actions as progressing the radar chart starting at the top and moving down each side of the semicircle simultaneously. Each engine score is calculated using company information such as sales coverage, customer complaints, weighted cost of capital, and customer-based survey inputs. These inputs are normalized by industry, so that the maximum value for any engine is 100.

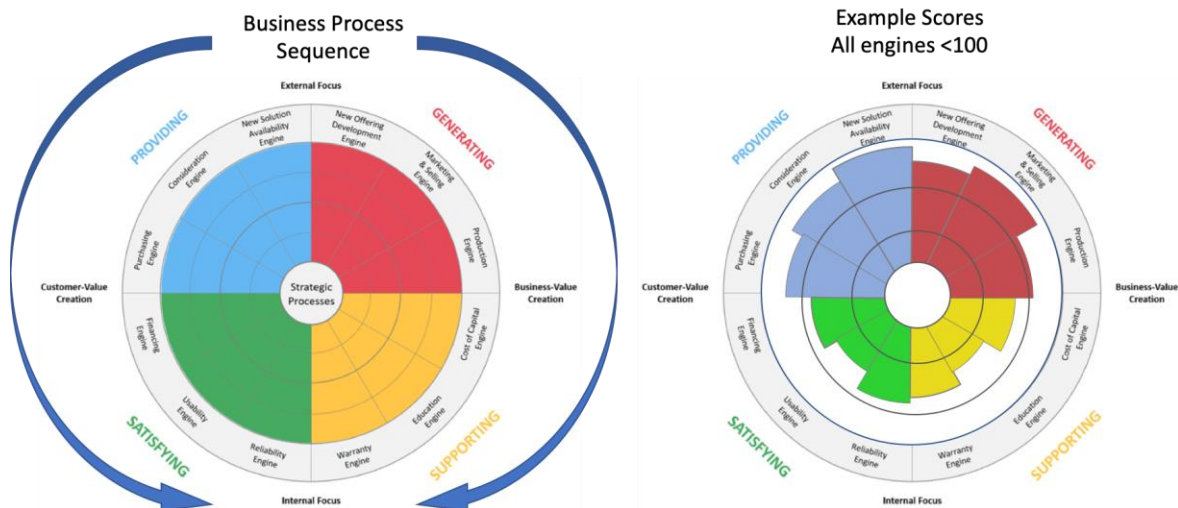


Figure 1: Juniper Strategies Value Creation and Consumption Model

The sum of the scores of all 12 engines is a critical number. We call this the Strategy Processes Quality Index—SPQI®. SPQI is the overall score for a strategy, given the strength of the existing business processes. When comparing two competitors, the competitor with the larger score is likely to be the one that gains market share. This is different than predicting which

The Recipe for Developing and Executing a Winning Strategy

competitor will be more profitable, as the amount of capital invested to deliver value is a business goal choice, not a strategy.

Hell's Kitchen—A Restaurant is More than a Collection of Menu Items

One of the top-rated television cooking shows today has a complex but realistic format. Instead of individual chefs working alone to prepare a few individual dishes, "Hell's Kitchen" has teams of chefs preparing meals to be served at a staged restaurant with real diners. The added pressures of preparing and delivering multiple meals simultaneously, and in the confines of a small kitchen space, showcase the importance of teamwork, leadership, and behavior. The acerbic host, Gordon Ramsey, often calls out individuals or teams for their positive or negative behaviors. "Hell's Kitchen" captures the impact of a team's culture on success, even in the highly contrived competitive environment of a cooking show. By extension, organizational culture is critical to business success. Even with a superior strategy, culture is key to successful execution.

Leaders understand the importance and their responsibility for fostering a "winning culture," but few know how to quantify their culture. Most leaders also assume that changing culture is difficult and time-consuming. Like strategy, the proliferation of tools, frameworks, and approaches to measure and transform culture often leads to confusion. We sought one that would complement our strategy approach.

We identified an existing culture model that is a canonical map for measuring an organization's culture. Like our canonical strategic process map, the canonical cultural model is a superior way to assess and then transform—in a time efficient way—the culture of an organization in support of its strategy. The Denison Culture model, which is based on a 65-question employee survey, describes an organization's culture using a radar plot that matches the strategic process map and is shown below in Figure 2.

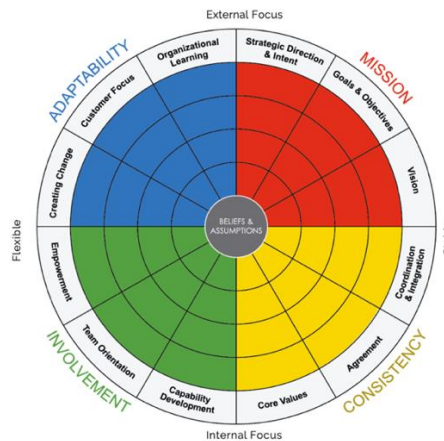


Figure 2: Denison Culture Model

This culture model has been validated with over 2 million responses, and has been calibrated across geographies and for ethnicity and racism biases. Using this model combined with our strategy model provides significantly greater insight to improve an organization's likelihood of success.

The Recipe for Developing and Executing a Winning Strategy

The Best Breakfast Restaurant in New York City

In New York City (NYC), one can easily find an outstanding place to eat. But, getting guidance for where to go can be quite a challenge. You might search on-line guides, read food critic opinions, or peruse local magazines. In NYC, one restaurant that often makes most of these recommendation lists is Balthazar. Well-known Manhattan food writer Reggie Nadelson calls it “The quintessential NYC restaurant.” In her book on Balthazar, Nadelson describes several features that make Balthazar special year after year. During her interview with Erin Wendt, the Balthazar General Manager, Erin states that the number one reason for success is the culture she and founder Keith McNally worked to create. Their passion for building and sustaining this culture is key to 20 years atop the best restaurant lists.

Erin’s statement about the importance of culture highlights the third key principle of business success: *an organization’s culture must support and be aligned with an organization’s strategy.* Although similar statements are often made by leaders, they rarely result in meaningful insight, or more importantly, action—people just don’t know how to act on this kind of statement. One of the biggest limitations to action is belief in the phrase “culture eats strategy for breakfast.” Although commonly used—and falsely attributed to management guru Peter Drucker—this phrase misses the mark. Drucker believed that culture and strategy must be aligned, and that strategy is the foundation upon which culture is shaped.

The need for an organization’s culture to be aligned with their strategy is intuitively obvious. Balthazar’s strategy is to deliver a customer-focused, individualized, service experience with a highly engaged and dedicated staff. In contrast, McDonald’s strategy for success comprises small menus, repeatable preparation, and serving processes optimized for speed and efficiency, within a large organization of highly-interchangeable employees. The cultures of Balthazar and McDonald’s could not be swapped successfully, as their strategies are not interchangeable.

The desire to align strategy and culture raises the question of how to measure alignment. And if strategy and culture are found to be misaligned, how can you describe and implement the needed changes? This is where the use of the two canonical maps, one for strategy and one for culture, provides a simple yet complete approach. The radar plots we showed in Figures 1 and 2 foreshadowed this approach visually. Measuring the alignment between strategy and culture is accomplished by comparing the respective scores for each of the four-color quadrants. The ideal alignment of strategy and culture occurs when the relative scores of each pair of quadrants is similar.

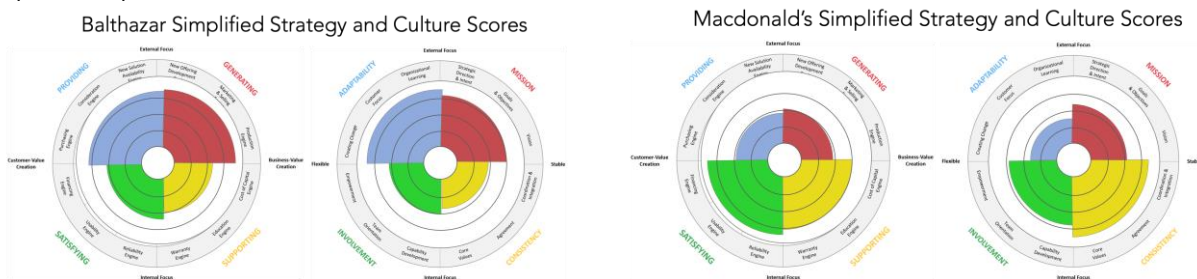


Figure 3: Representations of the Strategy and Culture maps for Balthazar’s and McDonald’s

In Figure 3 we show the high-level strategy and cultural maps for Balthazar and McDonald’s. These companies both have aligned strategies and cultures as shown with the similar scores

The Recipe for Developing and Executing a Winning Strategy

for each of the corresponding color quadrants, but their chosen strategies and cultures are quite distinct. They are each trying to gain share of a very different customer segment.

The Proof is in the Pudding

When one sets out to create a new recipe, they may declare it a success when enjoyed by a group of close friends. By limiting the test group to friends, the chef has most things under control. To more strongly declare a recipe successful, it needs to be tested by a group with a greater variety of preferences. The chef will then see the impact of different preferences, plus a broader set of influences that are outside his control, such as ingredient shortages.

Declaring the success of a business strategy has similar challenges. It is difficult to do this based on small pilots or short time windows. In addition, assessing the success of business strategy must also account for things that are outside a leader's control. Think about the COVID years. With hindsight, it's easy to blame COVID for a strategy that wasn't successful, but can leaders be confident they would have been successful if COVID had never happened? Leaders must understand the dimensions that they can control and those that they can't. The strategy and culture components are under a leader's control. Environmental uncertainties are not. Our approach separates these elements so leaders can focus on the things they control.

The case studies we examined, including the one below, were selected so the effects of uncertainty could be explicitly separated from the impact of strategy and culture. These case studies give confidence that strategy, culture, and alignment scores are predictive of winning in the market.

The figures below show the strategic and culture scores of one of the organizations we have worked with. The example highlights how strategies need to be evaluated over a period of time—we call this the strategic horizon. This company's strategy included plans to implement 1) a significant product innovation, and 2) a new Go-to-Market (GtM) approach. They also recognized the need to evolve their culture to one that embraces lean methodologies in manufacturing. This was their "recipe" for success.

In the first year, the strategy was defined, and strategic process engine strengths were assessed. In Figure 4 we show that the implementation of the strategy required strengthening the New Offering Development, the Marketing and Selling, and the Production business value creation engines. It also required strengthening the Consideration and the Purchasing customer value creation engines. Success of that strategy also required a parallel initiative to improve the Consistency and the Involvement attributes of their organizational culture.

The Recipe for Developing and Executing a Winning Strategy

Example Strategy and Culture Assessment – Strategy Launch

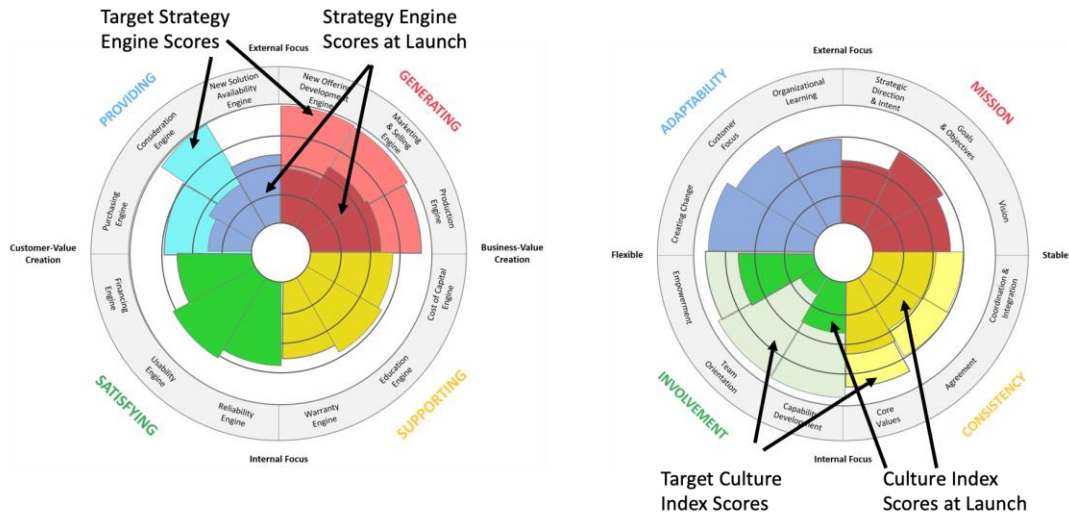


Figure 4: Representations of the desired and existing value creation and delivery capabilities and Culture maps for an industrial manufacturer at the start of a strategy initiative.

Example Strategy and Culture Assessment – 2 years later

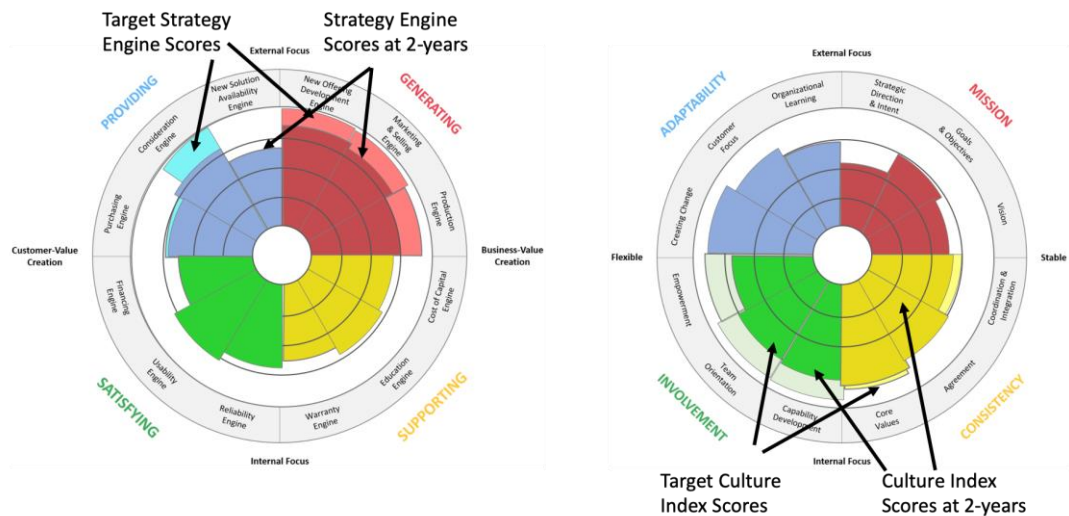


Figure 5: Representations of the strengthened value creation and delivery capabilities and Culture maps.

By the end of the second year, business processes, culture, and strategy-culture alignment improved, as shown in Figure 5, through the execution of their strategic and culture initiatives. The strategy initiatives included: 1) a detailed assessment of customer needs and how well competitors were serving them, 2) adoption of new R&D design tools and methodologies, and 3) several improvement Kaizens in manufacturing. With respect to their culture change initiative, they embarked on a comprehensive learning of—and then leadership display of—new behaviors to evolve their culture. The result of these efforts was a portfolio of products, and an industry-leading GtM capability that significantly shifted their share position and established them as the category leader.

The Recipe for Developing and Executing a Winning Strategy

Recipes and Technique

Great chefs are happy to publish their prized recipes in a book for anyone to buy and use. They know they aren't at risk for creating a world of competitors. People don't become prize-winning chefs overnight. In addition to having a collection of recipes, a chef needs to develop their technique. As anyone who has tried to bake an artisan sourdough loaf or perfectly seared scallops can attest, simply following the recipe is not enough.

Likewise, organizations should follow a recipe to achieve their goals. In Figure 6, we summarize the recipe for developing and executing a winning strategy.

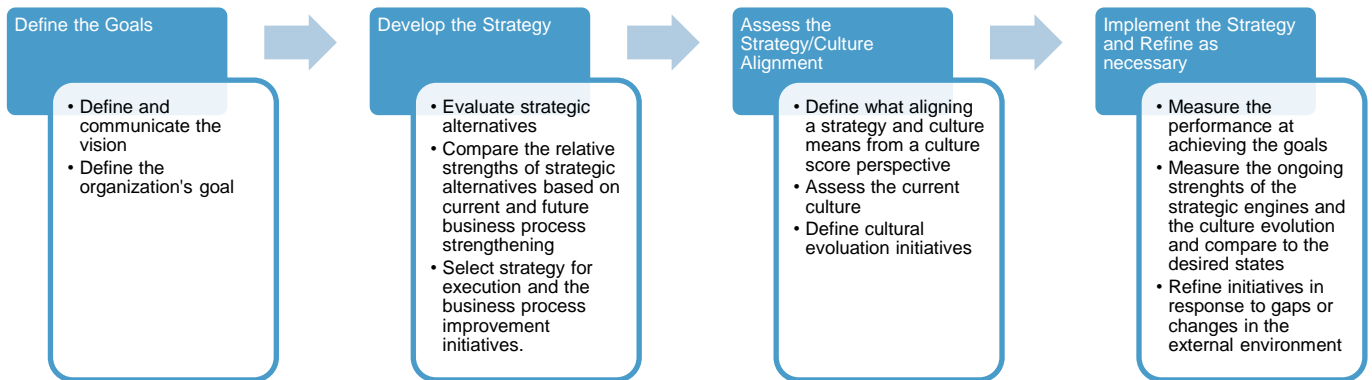


Figure 6: Overview of the canonical recipe for developing and executing a winning strategy

However, successful business outcomes also depend heavily on the skill and experience of any leader who follows the above recipe. Strategic technique is how a leadership team uses its commitment, experience, and finesse to continuously learn and improve its business processes and culture. By using a combination of market and domain knowledge, business process knowledge, and mastery of the strategic development and execution processes, leaders can develop and execute with confidence.

May we offer you a digestif?

The finest restaurants, after having created and delivered an extraordinary culinary experience, will often suggest a digestif to finish the evening. The best digestifs are richly herb-infused liqueurs that combine rare and unexpected ingredients using a process that is often kept a secret. Creating and consistently producing something this special requires an organization culture that is aligned to quality, consistency, and a mission of mystique.

For you—a leader charged with responsibility for creating the recipe for strategic success—we have described the simplest, yet most complete, approach to develop and implement a winning strategy and aligned culture. Instead of the anxiety you may have felt trying to answer the question “Is it strategy or execution?” you and your leadership team can enjoy being winners in your real-life business equivalent of “Hell’s Kitchen”... and celebrate with a round of digestifs.