

1.2.3 Strategy statements

David Collis and Michael Rukstad² at the Harvard Business School argue that all entrepreneurs and managers should be able to summarise their organisation's strategy with a 'strategy statement'. Strategy statements should have three main themes: the *fundamental goals* (mission, vision or objectives) that the organisation seeks; the *scope* or domain of the organisation's activities; and the particular *advantages* or capabilities it has to deliver all of these. These various contributing elements of a strategy statement are explained as follows, with examples in Illustration 1.2:

- **Mission.** This relates to goals, and refers to the overriding purpose of the organisation. It is sometimes described in terms of the apparently simple but challenging question: '*what business are we in?*'. The mission statement helps keep managers focused on what is central to their strategy.
- **Vision.** This too relates to goals, and refers to the desired future state of the organisation. It is an aspiration which can help mobilise the energy and passion of organisational members. The vision statement, therefore, should answer the question: '*what do we want to achieve?*'.
- **Objectives.** These are more precise and ideally quantifiable statements of the organisation's goals over some period of time. Objectives might refer to profitability or market share targets for a private company, or to examination results in a school. Objectives introduce discipline to strategy. The question here is: '*what do we have to achieve in the coming period?*'.
- **Scope.** An organisation's scope or domain refers to three dimensions: customers or clients; geographical location; and extent of internal activities ('vertical integration'). For a university, scope questions are twofold: first, which academic departments to have (a business school, an engineering department and so on); second, which activities to do internally themselves (vertically integrate) and which to externalise to subcontractors (e.g. whether to manage campus restaurants in-house or to subcontract them).
- **Advantage.** This part of a strategy statement describes how the organisation will achieve the objectives it has set for itself in its chosen domain. In competitive environments, this refers to the *competitive* advantage: for example, how a particular company or sports club will achieve goals in the face of competition from other companies or clubs. In order to achieve a particular goal, the organisation needs to be better than others seeking the same goal. In the public sector, advantage might refer simply to the organisation's capability in general. But even public-sector organisations frequently need to show that their capabilities are not only adequate, but superior to other rival departments or perhaps to private-sector contractors.

Collis and Rukstad suggest that strategy statements covering goals, scope and advantage should be no more than 35 words long. Brevity keeps such statements focused on the essentials and makes them easy to remember and communicate. Thus for Vice Media, a strategy statement might be: 'to build the world's largest online media group, focused on youth and with competitive advantages in terms of the diversity and international range of our businesses and the strength of our relationships with key partners'. The strategy statement of American financial advisory firm Edward Jones is more specific: 'to grow to 17,000 financial advisers by 2012 by offering trusted and convenient face-to-face financial advice to conservative individual investors through a national network of one-financial adviser offices'. Of course, such strategy statements

ILLUSTRATION

ILLUSTRATION 1.2 Strategy statements

Both Samsung Electronics, the Korean telecommunications, computing and TV giant, and the University of Utrecht, a leading Dutch university, publish a good deal about their strategies.

Samsung Electronics

At Samsung, we follow a simple business philosophy: to devote our talent and technology to creating superior products and services that contribute to a better global society.

Every day, our people bring this philosophy to life. Our leaders search for the brightest talent from around the world, and give them the resources they need to be the best at what they do. The result is that all of our products – from memory chips that help businesses store vital knowledge to mobile phones that connect people across continents – have the power to enrich lives. And that's what making a better global society is all about.

As stated in its new motto, Samsung Electronics' vision ... is, 'Inspire the World, Create the Future'. This new vision reflects Samsung Electronics' commitment to inspiring its communities by leveraging Samsung's three key strengths: 'New Technology', 'Innovative Products', and 'Creative Solutions'. As part of this vision, Samsung has mapped out a specific plan of reaching \$400 billion in revenue and becoming one of the world's top five brands by 2020. To this end, Samsung has also established three strategic approaches in its management: 'Creativity', 'Partnership', and 'Talent'.

As we build on our previous accomplishments, we look forward to exploring new territories, including health, medicine, and biotechnology. Samsung is committed to being a creative leader in new markets and becoming a truly No. 1 business going forward.

Utrecht University, Strategic Plan 2012–16

The University's core mission is to: educate young people; train new generations of researchers; produce academics who have both specialist knowledge and professional skills; conduct groundbreaking research; and address social issues and work towards solving them.

Education targets

- Utrecht University will manage to retain third place in the top six of [Dutch] general research universities with the highest number of Bachelor's programmes rated good/excellent.
- The percentage of (permanent) lecturers with a basic teaching qualification will grow from 20 per cent in 1999 via 60 per cent in 2010 to a projected total of 80 per cent in 2016.
- By 2016, the number of scheduled contact hours and other structural education-related hours in ... full-time Bachelor's programmes will total 12–18 hours per week.
- The percentage of students enrolled in entrepreneurship courses will increase from 1 per cent in 2006, via 3 per cent in 2010 to a projected total of 5 per cent in 2016.

Strengths

A university-wide education model and a broadly supported educational culture.	A broad range of instruments for the professionalisation and assessment of teaching staff.
Innovative educational developments that are adopted by institutions around the country.	The largest Summer School in Europe, serving as a centre for internationalisation.

Sources: Edited extracts from www.samsung.com and the University of Utrecht Strategic Plan, 2012–16, www.uu.nl.

Questions

- 1 Construct short strategy statements covering the goals, scope and advantage of Samsung and the University of Utrecht. How much do the different private- and public-sector contexts matter?
- 2 Construct a strategy statement for your own organisation (university, sports club or employer). What implications might this statement have for your particular course or department?