

Lessons from the Field: Strategic Thinking as Markets Evolve

by Pamela Roller

Markets and customers are rapidly evolving in the financial services industry. With a business imperative to stay relevant and competitive, leaders are challenged to make day-to-day decisions that will align with the strategy and drive business results.

A clear strategy doesn't mean an inflexible one. Quite the opposite. Clarity enhances flexibility – a concept that is counter-intuitive and yet easily understood after experience and reflection.

Recent global participants from a Fortune 100 financial services company shared their insights about strategic thinking in their roles after completion of an Insight Experience simulation:

Understand the whole business system. Understanding the systemic cause and effect relationship in the business helps leaders anticipate the multiple, consistent decisions necessary to support a strategic move. For example, failure to align operating decisions with sales forecasts can result in disappointed customers or unexpected capital requirements. Coordination and consistency across the business is necessary and supported by a clear strategy.

A clear strategy enables decision making across a diverse team. As time to market becomes increasingly important, the ability to make thoughtful decisions in a short period of time becomes a competitive advantage. Faster decisions create more flexibility to pivot with market changes.

Make small bets. In a rapidly changing environment, what worked yesterday won't necessarily succeed tomorrow. Some leaders avoid making decisions or "bets" - it feels too risky. However, by making small bets, organizations can remain flexible and gather much-needed data on how the market is responding and changing.

Create a feedback loop. Decide how to frame the strategy early on, then monitor the critical metrics that will help refine the strategy. Business results are feedback from the marketplace. Feedback helps teams manage biases and assumptions. Flexibility is possible when an organization can "see" what's happening in the market. Choose signposts intentionally. Which indicators will signal a change in the market?

Communicate, communicate, communicate! Communicating with stakeholders creates accountability. It also drives consistency and efficiency in execution. Listening to customers and employees helps leaders keep a pulse on the business. Communication is often an afterthought but is consistently cited as one of the critical components of driving results.