



AlbuonStrategy

Fall, 2003

Dear Friends:



Welcome to the first edition of *AlbuonStrategy*, our Newsletter. Our goal is to provide you – our friends, associates, clients and prospects – with informative and practical ideas, comments and trends in the arena of strategy planning and its implementation that will enhance your company’s performance and create profitable growth. We all suffer from information overload these days so we have designed this newsletter as a short and concise read. We believe you will gain some useful insights, and we hope you will look forward to receiving it each quarter.

Why a newsletter about strategy? Because good strategic thinking is essential to maximizing your company’s resources, reducing waste and growing profitably. Uncertain economic times coupled with increased competition and more demanding customers make strategic focus more important than ever. Companies lacking long-term strategic direction are at risk.

In our first newsletter you will read about the top ten principles to be aware of when developing and implementing a strategic planning process. I developed them over my years of strategic engagements. I firmly believe they hold true in most situations. We will also include in each issue a brief book review on the subject of strategy. There are so many books on the topic and we hope to highlight some of our favorites. Lastly, I have included an interesting and simple list of questions Jack Welch used quite successfully in devising business strategies at GE. I’ve used these questions myself in my own strategic planning engagements.

I welcome any comments or suggestions you may have. I look forward to hearing from you and if I can be of help in any way, please don’t hesitate to call.

Sincerely,
Dick Albu, President

Jack Welch Asked the Right Questions

Jack Welch, former Chairman and CEO of GE, wrote “Business success is less a function of grandiose predictions than it is a result of being able to respond rapidly to real changes as they occur. That’s why strategy needs to be dynamic and anticipatory.” The message is quite clear. Strategy is not static, rather it is a “living document” that requires periodic review and adjustment. Competition, customers, economic conditions, and government regulations are some of the external factors that impact strategic decisions. These are the five simple strategic questions Jack Welch applied to assess business competition:

1. What is the detailed position of your business and that of your competitors?
2. What action have your competitors taken in the past two years that have changed the landscape?
3. What have you done in the last two years to alter the competitive landscape?
4. What are you most afraid your competitors might do in the next two years to change the landscape?
5. What are you going to do in the next two years to leapfrog any of their moves?

Is Your Strategy at Risk?

Ten Principles to Successful Strategic Planning

1. **Focus on strategic issues and opportunities** - Don’t get bogged down with volumes of data. Instead, spend more time on strategic thinking.
2. **Leverage strengths** - Companies need to focus on and leverage competitive advantages.
3. **Vision is nothing without action** - Make it happen right away, with a detailed action plan.
4. **Your implementation plan is a living document** - Be flexible because strategy is not static.
5. **Consider retaining a qualified outside resource** - to help facilitate the process, to provide credibility and invite creativity.
6. **Talk about and challenge the strategic plan often and with as many qualified people as possible.**
7. **Be sure everyone in your organization understands what you are doing** - Keep employees informed of your progress and invite comments and questions.
8. **Move the process along at a reasonably quick pace to create momentum and enthusiasm** - Make strategic planning a priority.
9. **Be prepared to deal with resistance to change** - Identify employees that embrace the strategic plan and allow them room to succeed.
10. **Make your people responsible and accountable.**

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www.albuconsulting.com





BOOK REVIEW

The Art and Discipline of Strategic Leadership

By Mike Freedman with Benjamin B. Tregoe

If you are looking for a simple, uncomplicated description of the strategic planning process, read this book. It clearly describes each step of the process, from selecting the best strategic team to why it is so important that the CEO be completely committed and involved in the process.

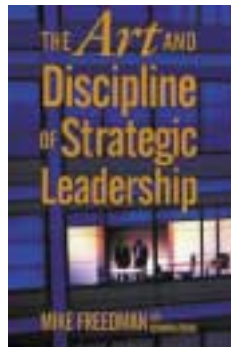
As Freedman puts it, "Strategy is one of the most used and abused words in the corporate lexicon." He goes on to offer his own definition, that strategy is "the framework of choices that determines the nature and direction of an organization."

The book includes:

- Questions senior executives must ask before they begin formulating a new strategy.
- The characteristics of people that

should be on your strategy development team.

- An analysis of the external and internal factors that should be aligned for a company's strategy to be successful.
- A five-step model for formulating and implementing your business strategy.



This is a must read for senior executives. Now more than ever companies without a sound strategy are at risk. Without strategic direction organizations will waste money, waste resources and shrink profits. Strategy should be driving your decisions regarding the products or

services you should offer (or not offer) and what markets you will serve (or not serve). It also leads to the competencies you need to be successful in the products and markets you choose.

“Competition whose motive is merely to compete, to drive some other fellow out, never carries very far. The competitor to be feared is one who never bothers about you at all, but goes on making his own business better all the time. Businesses that grow by development and improvement do not die. But when a business ceases to be creative, when it believes it has reached perfection and needs to do nothing but produce – no improvement, no development – it is done.”



Henry Ford

Introducing Albu Consulting, Inc.

Albu Consulting is a strategy consulting firm specializing in strategy formulation and implementation, and focused on helping its clients eliminate waste, focus resources and create profitable growth. Founded in 1994, Albu Consulting is well known for its collaborative approach and has a successful track record of exceeding its clients' expectations. Its intellectual property is its current and extensive knowledge of consumer driven products and markets, and expertise in dealing with strategic and operational issues. The firm's clients range from Fortune 500 corporations to privately held middle market companies. This is what one satisfied client had to say about Albu Consulting:

Robert Krist, Senior Vice President of Business Planning, Mott's, Inc.

"We needed a consultant to develop a growth strategy, including the evaluation of potential acquisitions. We were impressed with Albu Consulting's high level of integrity and productivity; and their work manner put everyone at ease. They worked with us to structure a growth strategy and taught us a process, rather than keeping us at arms length as consultants often do. Our six-year association has been collaborative, educational and most rewarding. I would highly recommend Albu Consulting to any organization."

If you would like more information, please contact Dick Albu at:

Albu Consulting, Inc.
 1177 High Ridge Road
 Stamford, CT 06905
 Telephone: 203/321-2147
 Fax: 203/321-2148
 E-mail: info@albuconsulting.com
 Website: www.albuconsulting.com

