



Beyond Stretch Objectives

Stretch The Thinking

Strategy &

Organisational Design

Stretch objectives can be a powerful motivation for an organisation. At their worst, they can be merely wishful thinking or, worse yet, a demoralising influence on the organisation. The MS&L's experience has shown how to stretch thinking strategy and organisational design beyond stretch objectives. Here it is all...



Jerry Wind (above), The Lauder Professor, The Wharton School; Louis Capozzi, Chairman Emeritus, Publicis Groupe; Monita Buchwald, Vice chairman (retired), Manning Selvage & Lee

By 1997, when Manning Selvage & Lee (*MS&L*) was shaping its five-year strategic plan, it had become a leading US. public relations firm, with \$33 million in revenues. The company, founded in 1938, already had built an impressive list of Fortune 100 clients. Despite its success, however, the agency worked primarily on tactical projects in US. markets. There were fundamental changes in its environment and industry, with corporate customers beginning to change the way they viewed public relations and develop coherent PR strategies around the world. There was an opportunity to play a broader role, strategically and geographically – and a need to rethink the work of the firm. The company stretched its thinking, strategy, objectives and its organisation to reach its ambitious goal of tripling revenues to \$100 million – achieving this goal in just three years instead of five along with other strategic goals. It emerged as one of the leading global PR firms.

How was the company able to achieve this rapid progress? How could it sustain its position as the business environment continued to change? And what can we learn from this process? This paper describes the process by which these spectacular results were achieved.

EXTENDING THE STRETCH

While stretch objectives have long been used to challenge organisations to go beyond their limits, these ambitious goals often fall short. They can lead to creative thinking and bold action, or demoralisation. It is a fine line between aggressive goal-setting and wishful thinking. It is not

enough to challenge the organisation to leap across a ravine. There needs to be a process to get across. This process, as illustrated in Figure 1, requires stretching thinking, strategy and transforming the organisation, along with stretching objectives. This broader approach is what helped Manning Selvage & Lee (*MS&L*) achieve its stretch goals during one of the most challenging periods in its industry.

The strategy process recognises the power of shifting mental models by introducing a new paradigm for the business. It also drew upon the process of 'idealised design' developed by Russell Ackoff and the decision making of the Analytic Hierarchy Process developed by Thomas Saaty. At the core of the approach was a recognition that mental models constrain opportunities for individuals and organisations, so changing these models can open new opportunities. For example, when Roger Bannister proved that it was possible to run the four minutes mile in 1959, 16 runners broke this once-impenetrable barrier within three years. This result was not through a breakthrough in human evolution but rather a breakthrough in thinking. This impossible feat was now considered possible. This strategy process encouraged executives to think creatively about their own mental models.

The strategy process drew upon the approach of 'idealised design' a process of envisioning an idealised endpoint and then developing a strategy to reach it. While the process at Manning Selvage & Lee (*MS&L*) was designed to conserve management time, the systematic approach to decision making embodied in this process lends

itself to more rigorous analysis. This could be done with tools such as the Analytic Hierarchy Process (AHP) and Analytic Network Process (ANP), which helped to inspire and shape the systematic approach of the company's strategy process.

UNDERSTANDING WHAT IT TAKES TO SUCCEED

The process began with a gathering of top executives of the firm in 1997, plus a few other key people who possessed unique knowledge and perspectives. They made an assessment of scenarios for the external environment and the type of company that is likely to succeed in this type of environment. Then executives looked at the organisation's own strengths and weaknesses to see how it could succeed in this context. The key elements of the new strategy were completed in an intensely focused period by the top management team. This allowed leaders to sustain their momentum while keeping the broader perspective that was needed to transform the business.

It had become increasingly clear that they could not conduct business as usual. The PR industry and its clients were changing. The Internet was just emerging as a

powerful channel for communications. Publicity-savvy dot-com companies were helping to raise the stature of public relations in the tech sector and beyond. In corporations, public relations was moving from a tactical discipline to play a more prominent role in corporate strategic thinking. With rapid globalisation, the agency's clients were moving quickly into all parts of the world. These changes led to increased competition among agencies, particularly in specialised areas such as crisis management, or sectors such as technology and health care. Shifts in client companies and the PR industry were already contributing to the early stages of what would become widescale consolidation in public relations and advertising.

Executives explored several scenarios for the future. These included a 'status quo' scenario of relatively incremental change; a 'worst case' scenario in which the growth of in-house corporate capabilities and the declining perceived value of PR leads to a harsh market; and a 'best case' in which the industry thrives and companies outsource work to MS&L and its peers. Looking across all the scenarios, the company's executives identified a set of critical success

factors that the firm would need in the future. For example, successful companies needed to be technologically savvy, global and efficient, with the capability to build alliances. They needed to prove their value and offer their clients more strategic thinking and better insights into change. How could Manning Selvage & Lee (MS&L) build these capabilities?

SHIFTING THE BUSINESS PARADIGM

The pivotal point of MS&L's transformation was a reconceptualization of its business paradigm. The shifts in the business environment created an opportunity to build a more powerful model for MS&L's business. Executives realised that clients increasingly needed strategic perspectives on communications, not just tactical solutions such as a publicity event or press kit. These clients were no longer satisfied with having the company's name appear in print. They needed to deliver messages that would motivate their customers to take action.

At the time, the mental model of the industry was based on a tactical and transactional approach, as shown in the bottom left of Figure 2. MS&L's strategy and structure were all organized around this narrower, more transactional model. MS&L began to make a shift toward more relationship-based, strategic and integrated communications as shown in the position in the upper right. By opening its thinking to playing a deeper, more strategic role, the company created new opportunities for growth.

This rethinking of the firm meant a shift from a transactional, tactical PR focus to a more strategic focus on the total integrated marketing communications strategy. Instead of running a series of baby races for the diaper brand of a consumer goods company, the agency would help design, implement and manage strategic marketing communications across the firm's many product lines and businesses worldwide. This transformed the agency's offering.

MS&L also sought to build deeper partnerships with corporate clients instead of transactional relationships. These deeper relationships would mean that they could

Figure 1: A Process for Stretching the Business Paradigm

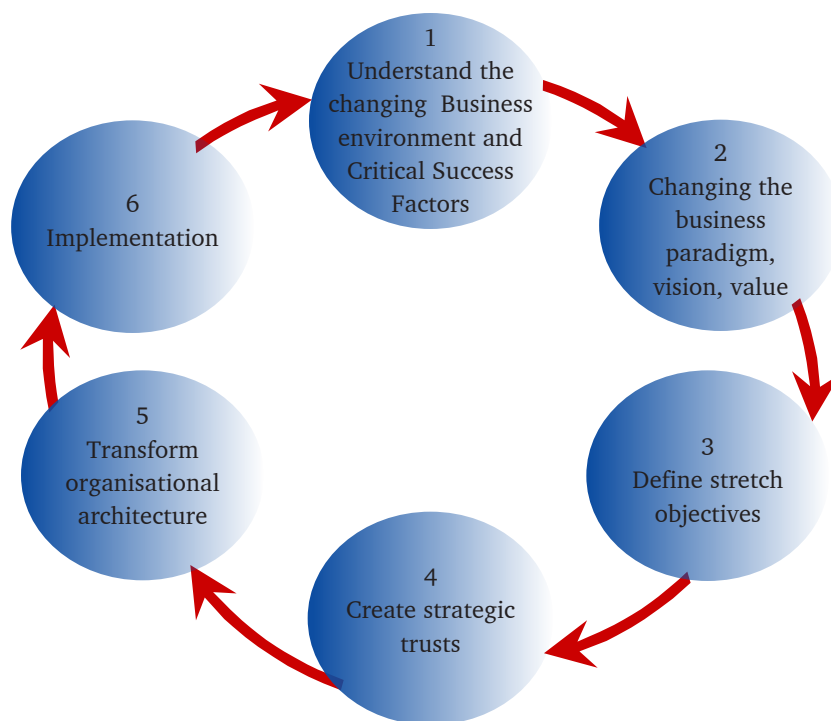
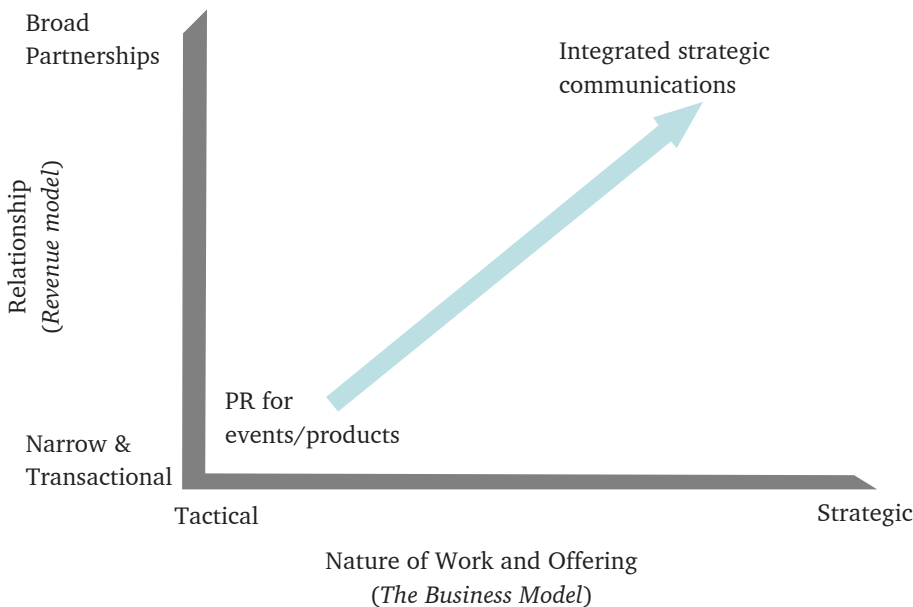


Figure 2: Towards a New Paradigm for a PR Firm

expand their accounts with individual clients and work more deeply on their clients' strategic challenges. These relationships also led to greater risk and reward sharing, with implications for pricing and revenue models. This represented a major shift in how MS&L's executives thought about and positioned their work. This transformed the agency's relationship with its clients.

This transformation of the paradigm for public relations has parallels in other industries. For example, some pharmaceutical companies that once focused on the narrow, tactical goal of 'selling pills' have been shifting to the broader, strategic task of 'promoting wellness.' Such shifts toward total, integrated solutions can also be seen in telecommunications, information technology and other industries. In addition to changing their revenue models, companies in all of these industries shifted the nature of their relationships from transactional to partnership and risk-reward sharing.

For MS&L, the strategic focus meant that its goal was to influence the deeper motivations that drive the behavior of its client's customers. For example, a tactical strategy such as an event might result in a single purchase, while focusing on consumer motivations could help build long-term loyalty to a client's brand. Publicity was no longer the goal of the company's

work, but rather a byproduct of this deeper influence. This vision was a dramatic departure for the business. In 1997, about three-quarters of MS&L's business was tactical, focused on getting the client's name or brands into the media versus developing strategic communications. Manning Selva & Lee began increasing strategic integration of its work across product lines and across countries.

In achieving the shift shown in Figure 2, it is important to move concurrently along both the horizontal and vertical axes. If a company moves in just one direction, as some pharmaceutical companies did in offering more integrated solutions without creating more partnership-oriented revenue

models, the strategy will run into problems. A pricing model based on selling pills will not be able to support the expenses of offering integrated solutions. To successfully transform the business paradigm, companies need to move along the diagonal, transforming their offering and at the same time transforming their customer relationships and business models.

While the upper right corner of Figure 2 may be the ideal, the company also had to recognise that not all segments of the market would desire the broader strategic focus and deeper relationship. These multiple segments would require different strategies. For existing customers, the company could choose to abandon the more tactical segments or, as MS&L chose to do, migrate them toward more strategic relationships. For new customers, the company could ignore the more tactical or transactional assignments or continue to bring in new tactical work and focus on migrating clients who were receptive to more strategic relationships.

MS&L's response was to create capabilities to continue to serve clients that needed tactical services and to migrate customers from tactical and transactional work to more strategic partnerships. This meant retaining its ability for strong tactical campaigns while increasing its capacity for designing communications strategies that could then be well executed through its tactical business.

SETTING STRETCH OBJECTIVES

MS&L's process of moving to a new business paradigm was accelerated by the establishment of aggressive stretch goals. These objectives can help encourage the shift in thinking discussed above and also motivate the organisation to think more creatively about its work. As MS&L execu-

If a company moves in just one direction, as some pharmaceutical companies do, the strategy will run into problems

tives discussed financial objectives for the five-year strategic plan (1997 to 2003), a straw poll came up with a consensus goal of \$50 million in revenue. The company could have achieved this goal through incremental growth. It would not have re-

quired a radical rethinking of its strategy and approach. When the stretch goal of \$100 million was proposed, there was an audible gasp among executives in the room. But they ultimately agreed to it. The financial goal was one of three ambitious corporate objectives of the company's five-year plan:

1. Achieve \$100 million in revenues by the year 2002, as measured by annual growth targets and profit performance goals.
2. Increase the firm's ability to impact all of its clients' stakeholders in all geographies they do business in. This would be measured by a) proof of greater impact (*quantitative measurement*), b) increase in the number of stakeholders reached, and c) increase in the geographical scope of activities.
3. Go broader and deeper within client organisations. This would be measured by a) increased number of assignments from large clients, b) increased number of business units represented within the client company, and c) higher-level relationships with the client management. *(the measure would have been to maximize the share of wallet of client organisations, taking a larger share of their total marketing communications spending, but this is very difficult to measure. Increasing MS&L's own business with key clients was a good proxy for boosting share of wallet)*

Clear measures and deadlines for each objective, as noted above, ensured that the organisation would take these stretch goals seriously. The executives realized that they could not continue to conduct business as usual if they were to achieve these goals. And soon the whole organisation would feel the same sense of urgency.

STRETCHING THE STRATEGY

Executives next needed to develop a clear plan for achieving these objectives. In the words of Henry David Thoreau, after

building "castles in the air" of stretch objectives, the executives now need "to put foundations under them." MS&L adopted four primary strategies for achieving its long-term stretch objectives:

1. Own preference creation: Manning Selvage & Lee (MS&L) would create preferences among consumers. They would help clients ensure that target audiences prefer the client company, product, service or idea over another and are prepared to take action to support this preference. To "own" preference creation, MS&L created a proprietary communications planning model, trained internal champions and armed them with research-based perspectives to help in strategic communications planning. It established a Knowledge Center for conducting secondary research and also built a strategic alliance with a leading marketing research firm to understand consumer preferences and motivations.
2. Focus on the areas where Manning Selvage & Lee (MS&L) can have the greatest impact on clients' success: MS&L targeted specific high-growth industries, geographies and value-added disciplines that matched client needs. The firm

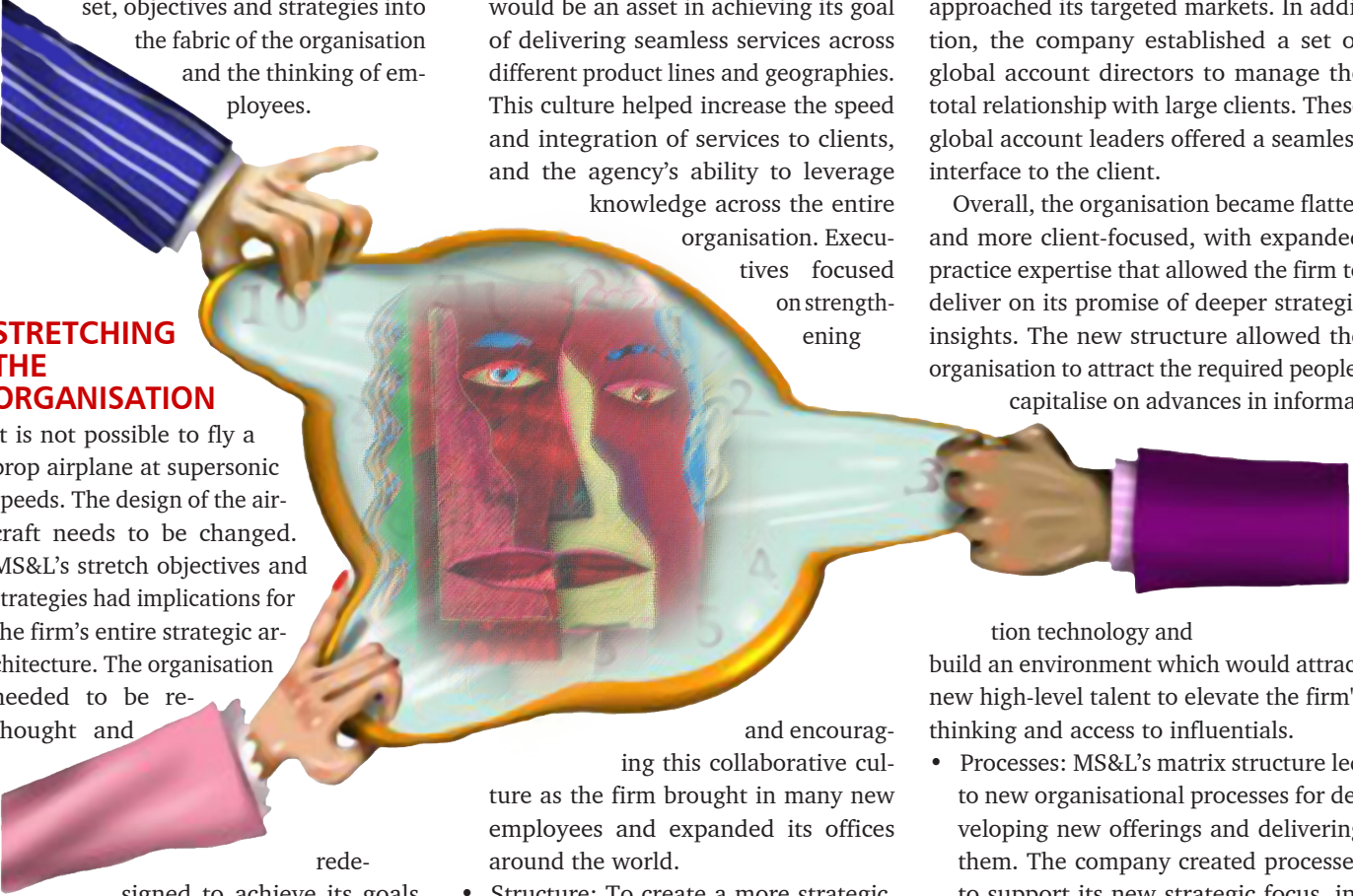
launched a growth plan that helped it create a much more comprehensive international network.

3. Migrate clients to value-added and high growth/profitable relationships: MS&L focused on building broader and deeper relationships with clients, moving up and to the right in Figure 2.
4. Identify and attract prospects that allow us to deliver value-added counsel/services and offer high growth potential: Manning Selvage & Lee (MS&L) had to change the way it identified and acquired new clients. Large international PR firms gain most of their new business from unsolicited requests for proposals. These can be very time consuming and matters of lengthy process. The organisation's strategic focus allowed it to concentrate on proposals that would make the greatest contributions to achieving its goals. The organisation created an effective strategic filter for deciding which opportunities to pursue, and more important, which to reject.

These strategies defined the path that MS&L would have to follow in its transformation, but it was not enough for top executives in a conference room to shift their thinking. They had to infuse the mind-

Figure 3: Organisational Architecture





set, objectives and strategies into the fabric of the organisation and the thinking of employees.

STRETCHING THE ORGANISATION

It is not possible to fly a prop airplane at supersonic speeds. The design of the aircraft needs to be changed. MS&L's stretch objectives and strategies had implications for the firm's entire strategic architecture. The organisation needed to be rethought and redesigned to achieve its goals.

Manning Selvage & Lee in 1997 was built around its old strategy and business paradigm, so now the company needed to rethink diverse aspects of its organisational architecture to support its new strategies and paradigm, as shown in Figure 3. In addition to changing its vision, objectives and strategy, as discussed above, MS&L needed to transform its culture, structure, processes, people, resources, technology and measures.

- Culture: MS&L considered its culture a competitive advantage. While many other public relations firms had cultures of intense internal competition among creative teams, MS&L had cultivated an environment of cooperation, mutual support, trust and respect. Executives recognised that this "family" atmosphere would be an asset in achieving its goal of delivering seamless services across different product lines and geographies. This culture helped increase the speed and integration of services to clients, and the agency's ability to leverage knowledge across the entire organisation. Executives focused on strengthening and encouraging this collaborative culture as the firm brought in many new employees and expanded its offices around the world.
- Structure: To create a more strategic, knowledgeable and integrated approach to clients, the company had to redesign its structure. Where MS&L had been organised around regional offices designed for local, tactical activities, the firm's broader strategic emphasis demanded greater integration across offices and depth of focus in specific practice areas. The company created a matrix organisation with employees reporting both to regional offices and to a new set of practice areas. Employees had two bosses and two career paths.

The four practice areas were: consumer marketing, corporate, health care and technology, each of which had a practice leader. This helped promote depth of knowledge and creativity in each of these areas, driving innovation in how the company approached its targeted markets. In addition, the company established a set of global account directors to manage the total relationship with large clients. These global account leaders offered a seamless interface to the client.

Overall, the organisation became flatter and more client-focused, with expanded practice expertise that allowed the firm to deliver on its promise of deeper strategic insights. The new structure allowed the organisation to attract the required people, capitalise on advances in information technology and build an environment which would attract new high-level talent to elevate the firm's thinking and access to influentials.

- Processes: MS&L's matrix structure led to new organisational processes for developing new offerings and delivering them. The company created processes to support its new strategic focus, including gathering knowledge, relating to executives in more strategic roles in client organisations and processes for developing broader insights on client businesses. At the same time, Manning Selvage & Lee needed to sustain its processes for its more tactical work, creating processes in this area, so it could mix and match strategic and tactical capabilities in serving specific clients.
- People: The new direction for the firm required a different type of person. More than half of MS&L's employees in 1997 were gone by 2000. These employees would need to embrace change, think strategically, and be comfortable with technology. In addition to having credible industry experience, these employees would need to be effective business developers, relationship managers and team leaders. MS&L needed to attract, develop and retain a workforce that would live its new vision and values while expanding rapidly. The size of the organisation also grew from fewer than 400 employees in 1997, most of whom

There is no such fixed strategy that works for many years, so the organisation needs to be able to create strategy quickly and continue to modify it

were in the United States, to more than 900 people in 18 offices in 2000.

- **Resources:** To make acquisitions or finance joint ventures or alliances that MS&L needed to grow and acquire new capabilities, the company needed new

sion support system, project management planning systems, online financial systems and technology for multi-media presentations.

- **Performance measures and incentives:** Finally, the company created a new set

employees: As part of its internal rollout, Manning Slevage & Lee sponsored morning meetings for employees at each of its offices, held in large music stores before they opened. At the start of each meeting, employees were asked to pick

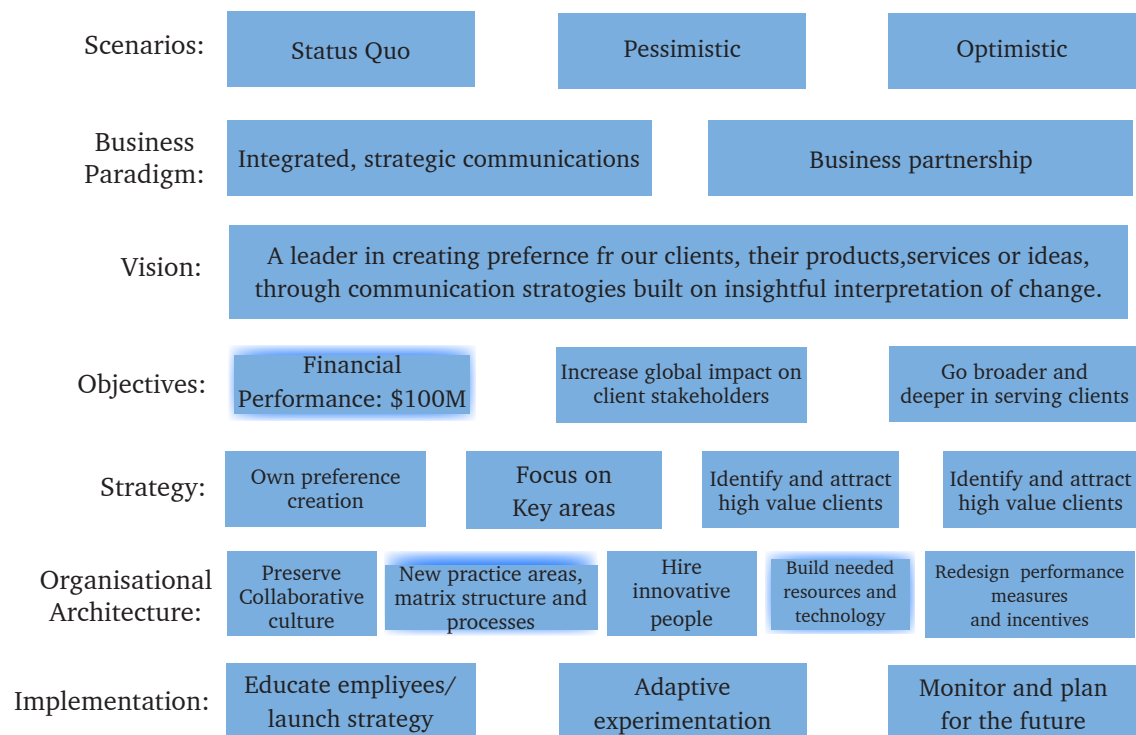
out a free CD of their favorite music from the racks. When they returned, they shared their different tastes – rock, gospel, folk, R&B or classical. The message was that even though employees may have a lot in common as members of a PR agency, that is not a good predictor of musical taste. To understand how to influence people strategically, you need to start by gaining insights into their deeper motivations. These motivations, like tastes in music, are not simple to predict & need to be carefully researched.

The exercise was designed to elevate the

importance of strategic thinking for employees, driving home the point that successful strategy is influencing people at the moment of choice. The company also developed and implemented workshops for middle and senior executives on the strategic planning process and client service.

- **Engaging in adaptive experimentation:** Adaptive experimentation was the philosophy that guided both strategic initiatives as well as the changes to the organisational architecture and implementation. In a changing environment, organisations need to continuously experiment with strategies and learn from the experience. There may not be a fixed strategy that works for many years, so the organisation needs to be able to create strategy quickly and continue to modify it. The focused process for strategy used by MS&L helped to sustain this creative philosophy.

Figure 4 : The Strategic Hierarchy



resources. It also needed new sources of capital to invest in technology, people and product and service development. In a time of rapid change, the organisation also needed flexible resources, so it used strategic alliances to limit its exposure while exploring new directions. Manning Selvage & Lee (MS&L) also sought new resources to fuel its global expansion, which ultimately led to its acquisition by French-based communications giant, Publicis Groupe.

- **Technology:** MS&L needed to transform its technology as well. It had to develop the capability to interact with its increasingly far-flung offices and with clients around the world through e-mail, videoconferencing and file sharing. The company recognised that it needed to hire a more client-centered CIO to lead this transformation. MS&L created an institutional knowledge base and deci-

of measures to gauge its success. These included measures for client satisfaction, quality, people (*employee turnover and satisfaction*), products (*increasing higher-value products*), financial performance and market share. These measures were directly related to the stretch objectives so executives could see whether the company was on track.

IMPLEMENTATION

The strategies and organisational changes that resulted from this process, which might once have needed a 100 page document could now be summed up on one page, as shown in Figure 4. This clarity and focus aided the implementation of the new mindset and strategy across the organisation. How could the organisation drive this paradigm shift into the thinking of its employees around the world?

- **Launch strategy** focused on educating

Some of the new approaches worked very well but others had to be reversed or changed.

For example, the organisation's new matrix structure ultimately needed to be reconsidered. While the structure helped strengthen innovation in key practice areas, build client relationships and ensure regional accountability, it proved very complex to manage. There were conflicts between practice areas and regional offices, particularly between US-based practice leaders and a

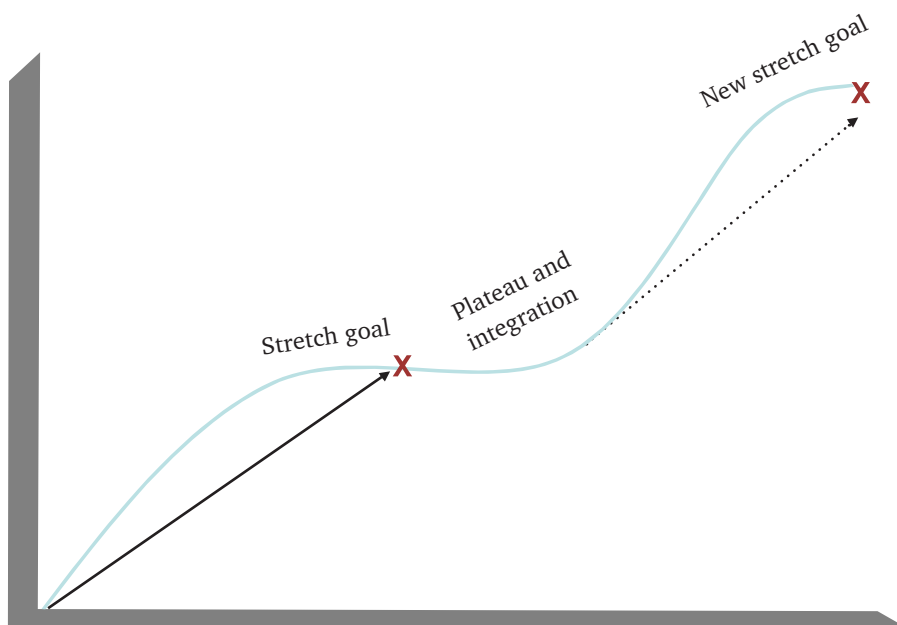
that can be done indefinitely. The rapid acceleration of stretch goals can sometimes be sustained by an immediate jump to the next stretch goal, at what Intel's Andy Grove has called 'strategic inflection points.' But more often than not, like an athlete after an intense race, there is a period of reintegration that occurs after a stretch, as shown in Figure 5. How the company navigates this rapid de-acceleration, managing a 'soft landing', is as important to its long-term success as achieving the stretch

broader in the organisations it served. In 1997, its top 10 accounts ranged in size from \$1.2 million to \$200,000, and represented just 15% of the company's business. By 2000, MS&L's top 10 accounts ranged from over \$10 million to \$1.5 million, and accounted for 45 percent of its business. Most of these firms were clients of MS&L in 1997, but quite a few were not on the top ten list at the time. The clients who remained on the list increased their business with Manning Selvage & Lee (MS&L) by as much as six or seven times.

The firm's internal shift in thinking benefited from its alignment with changes in the business environment. MS&L's large corporate clients had begun integrating their own hodgepodge of scattered communications initiatives under the banner of a central corporate public relations office. As the stature of PR leaders within these corporations continued to grow and their work became more strategic, they increasingly sought partners who could rise to this challenge. MS&L filled this need as clients began to consolidating agreements with dozens of separate PR agencies into single, global contracts. While MS&L could have lost its current business as a result of these shifts, the agency's forward-thinking strategy gave it the capability and global reach to win these larger contracts and meet these expanding demands of clients. By thinking through what it would take to win in this emerging environment, MS&L had positioned itself to succeed.

As MS&L achieved its strategic objectives in 2000, the public relations industry was hit with a "perfect storm" of challenges. Technology stocks that had driven the rise of PR were melting down, followed by the broader downturn of the American economy after the September 11 terrorist attacks. While the general business environment was eroding, MS&L's own situation was changing as a series of acquisition made it a part of the \$5.7 billion French-based communications giant, Publicis Groupe SA. MS&L, like many other firms in a growth environment, had been rushing to keep up with its growth. It had been building the foundation for a bigger business and moving quickly to take advantage of growth opportunities. At the same time,

Figure 5: Beyond the First Stretch



growing set of international offices. The matrix was disassembled, and employees became accountable to their regional offices. The practices were retained, but reorganised as centers of knowledge and "conveners," rather than managers. Global account directors continued to play a central role in managing client relationships across boundaries. This experimental approach allowed executives to adjust the strategy after testing assumptions and revising approaches based on outcomes.

- Monitoring and adjusting to prepare for the next stretch: Once the company had achieved its stretch objectives ahead of schedule, the question was: What happens next? Stretching is not something

goal in the first place. A solid plateau can then become the launching pad for the next set of stretch objectives.

RESULTS: MAKING THE STRETCH

As ambitious as the initial stretch goals appeared when they were first proposed, the company achieved them in 2000, tripling revenues in just three years instead of five. In addition to reaching revenues of more than \$100 million, MS&L achieved its goal of shifting business to more strategic relationships. It transformed its business portfolio from 10 percent strategic projects to 35 percent, and expanded its global reach from 10 cities to 40. It also achieved its goal of going deeper and

these platform investments became a burden as growth slowed with the downturn, so the company needed the flexibility to shift direction quickly.

The company's strong momentum from achieving its stretch objective two years ahead of schedule helped it to navigate this "perfect storm" better than many of its peers. While MS&L did not achieve the same rapid growth it had during the previous three years, the company continued

still relevant as reflected in our business and revenue models? Are our current vision and strategy ambitious enough? Can we launch another period of rapid growth? What is a reasonable objective? How would this new objective require rethinking the company's strategy, culture and organisational structure? How can the company manage this rapid ramp-up and shift in mindset while still preparing for the possibility of the next plateau?



to hold its own and achieve modest growth at a time when competitors lost ground. Manning Slevage & Lee was recognised as the 2003 Holmes Report Agency of the Year, for 'coming out of the recession stronger than it went it'.

As the economy began to emerge from its doldrums in 2004, the company's next question was where to set its new stretch objectives. MS&L had already demonstrated an effective process for shifting its thinking and actions. This process began with an assessment of vision, value and objectives, which led to the creation of strategies and the identification of critical success factors. MS&L then addressed diverse aspects of organisational architecture needed to make the strategy a reality. Finally, the company devised action plans to carry the strategy out into the organisation and the world.

Executives asked themselves: Are our current vision, strategy and mental models

CONCLUSIONS & LESSONS LEARNED

What are the lessons from MSL's successful transformation? The experiences offered lessons about the process of strategy formulation and implementation as well as specific lessons from MS&L's own transformation.

LESSONS FROM USING THE PROCESS

Among the lessons of employing this marketing science-based process for strategy creation and execution are:

1. Involve top leadership and diverse perspectives: Strategy is too important to be left to staff. It requires the personal involvement of relevant top managers as a team and insights from a variety of disciplines. More than half of MS&L's employees in 1997 were gone in 2000 and the CEO who launched the process had left the firm. But the consistent at-

tention and involvement of the top management team kept attention focused on this new strategy and provided the motivation to make the difficult changes that were necessary. Broad transformations create deep stresses on organisations and require strong involvement by top leaders to carry them forward. The involvement and insights of diverse disciplines within the firm also were critical in carrying forward such a dramatic shift in strategy.

2. Encourage the challenging of assumptions: Through this process, the organisation created an environment that encouraged openness and critical thinking about the current business paradigm. Basic assumptions could be challenged. This process offered a systematic way of challenging the firm's mental models to encourage fresh thinking.
3. Create a context for knowledge: While the process itself was streamlined and focused on developing broad perspectives and objectives, it created a context for more complex management-science tools and more detailed analysis. With the context created by the strategy processes, tools and data can be used to add more texture and depth to the analysis and enhance the implementation of the strategy.
4. Link strategy to changes in the environment and heterogeneity of the market: By looking at changes in its market, the company ensured that its strategies were aligned with emerging changes in its environment. The company also created a strategy that, while focused on a broad paradigm shift, recognised the heterogeneity of segments. It created different approaches for different segments, as well as a migration strategy for moving clients from one segment to another.
5. Work quickly: In a rapidly changing environment, by the time a prolonged strategic planning process is completed, its results could be irrelevant. This process accelerated the cycle time for strategy. It allowed executives to work quickly to develop the core strategy and then make adjustments through adaptive experimentation on the fly. While companies have recognised the impor-

tance of cycle time improvements in manufacturing, speed is also important strategy creation and implementation.

- 6) Use an integrative, iterative process: To achieve rapid results, the strategy process needs to integrate many perspectives and use an iterative process. It allows organisation to hit the ground running, then learn quickly and refine

specific lessons that can be drawn from MS&L's experience in designing and implementing its strategy? Among these are:

1. Harness the power of 'impossible thinking': When the business environment changes, companies need to rethink their business paradigm and strategies in significant ways. These transformations can have power and momentum

Even after rethinking the business and reaching ambitious stretch objectives, there was no time for celebrating victory

the strategy.

7. Build momentum: By bringing top managers & other players to the table, MS&L engaged key people in decision process to create consensus, excitement & a sense of urgency. It then transferred this spirit & excitement to the broader organisation. These qualities were crucial in building commitment to the strategy & ensuring its continued momentum.

The approach to strategy creation used by MS&L, as summarised in Figure 1, offers an efficient and systematic process for thinking about the current business and emerging environment and developing creative solutions to emerging challenges. As shown by MS&L's experience, this creative, market-based approach to developing strategy has the potential to fuel growth and result in achievements that might initially be considered 'impossible' by executives. This process ensures that executives are able to recognise the big picture opportunities for strategy – so they are addressing the right questions. While rigor and data are always valuable, this approach avoids the mistake of engaging in very complex analysis and data collection in pursuit of an answer to the wrong question. In this sense, it is better to be vaguely right than precisely wrong. This creative thinking is at the heart of the process.

LESSONS FROM THE TRANSFORMATION

In addition to the broader implications of this strategic process, what are some of the

that results in progress that is far more rapid than anticipated. Our mindsets can hold us back, and challenging these mental models can open new possibilities for achievement. By transforming the thinking strategy, organisations can sometimes achieve what was once considered 'impossible.'

2. Take a broader view of the business: One of the specific shifts in thinking that MS&L achieved, as illustrated in Figure 3, was to go from a tactical, transactional view of its work to a broader collaborative view. As noted above, this type of shift is not unique to the PR industry. There are many other industries in which executives can transform their thinking in this way. Once this shift in thinking is made, it can lead to changes in strategy, architecture and many other parts of the business.
3. Use a marketing-driven business strategy: Marketing cannot be viewed in isolation from the entire business strategy. The approach to the market is related to the internal concept of the company and the architecture that supports this work. Marketing strategy needs to be an integral part of the overall business strategy. MS&L designed its strategy and implementation around its understanding of the changing needs of its clients and their customers.
4. Set stretch objectives: Stretch objectives such as tripling revenues in five years force the organisation to change its behavior in fundamental ways. A true

stretch objective cannot be met through incremental strategies. Such objectives challenge the organisation to develop creative solutions and reshape their mental models and business models.

5. Focus on implementation: A great strategy and new mindset can be powerful, but there needs to be a clear mechanism for putting them into practice. MS&L paid close attention to implementation, from the design of measurable objectives and the creation of new measures to employee initiation programs to give them a visceral feel for the new mindset. The company also created a clear migration process to move to more strategic assignments for current clients. It is this attention to detail that separates promising visions from great results.
6. Avoid complacency: Even after rethinking the business and reaching ambitious stretch objectives, there was no time for celebrating victory. MS&L faced external shocks and internal challenges as a result of its rapid growth and new approaches to its business. Such transformations do not have a fixed beginning and end, but are ongoing. Companies need to meet the challenges that come from rapid growth, and determine how to prepare to push to the next level.

BEYOND WISHFUL THINKING

At their best, stretch objectives can be a powerful motivation for an organisation. At their worst, they can be merely wishful thinking or, worse yet, a demoralising influence on the organisation. As MS&L's experience has shown, successfully achieving stretch objectives requires more than merely setting the bar higher. One key to success is recognising that stretch objectives need to be translated into shifts in thinking, strategy and organisational architecture. By taking a broader view of stretch objectives and developing a systematic process for realising them through strategic action, organisations can not only achieve goals that were considered impossible but also transform themselves and their businesses in the process. *(This article has been co-authored by Louis Capozzi, Chairman, Publicis Groupe and Monita Buchwald, Vice chairman(Retired), MS&L).* ●