

## Functional Strategy- Finding The Unique Role to Play!

**“Functions must make clear choices that set their company apart in the marketplace.”**



In our recent consulting program, we met the head of manufacturing in a diversified apparel company. Let's call him Keshav.

Keshav has been tasked to building a culture of continuous improvement across a very traditional, operations focussed set of brands. So, at the end of a performance improvement workshop we led for him, he asked us for advice on the smartest place to get started.

Our answer? If you already have a clearly articulated purpose and vision of the organization, begin with strategy. Begin by thoughtfully articulating the critical choices facing the manufacturing function. This, we said, would help his team understand where it was headed and how it would get there. He rolled his eyes. “We don't need a strategy for our team,” he said. “The brands love us. They know they need us. Creating a strategy would be a waste of time—and we're overwhelmed as it is. In fact, we have more work than we can handle.”

And there it was: the very best reason to start with strategy. Keshav's team had more work than it could possibly do. He was trying his best to serve the company and was struggling to keep up. Inevitably, work was falling through the cracks as his team tried to do everything for everyone. By denying that he needed to make strategic choices as the head of a function—about how his team allocated resources, what it prioritized, what it ignored—Keshav was in fact making a choice. He was choosing not to choose. And as a result, his team was failing to achieve much at all.

We have seen time and again this dynamic in our consulting projects across a variety of industries. Most business leaders accept the notion that corporate and SBU's only need strategies. Therefore, the need for strategy at a functional level is less widely understood.

In-fact in many firms, functions just exist, serving the company in whatever manner and at whatever scale the business unit demand.



This is a big mistake, especially given the rapid pace of business environment and the need to build strategic alignment. If functions do not adopt a strategy consciously, they will almost inevitably end up defaulting to one of two unconscious organizational and cultural models.

That is either they become servile i.e. do everything the business units wants them to do they put their functions first.

Now functions that unconsciously adopt the servile strategy i.e. try to be all things to all people, they wind up overworked and burnout. They become undifferentiated and reactive, losing their ability to influence the company's objectives and access resources. They struggle to recruit and retain talent, because no one wants to work for an ineffectual part of the firm. Soon they live under the constant threat of being made redundant.

On the other hand, business leaders who put the function's work front and centre and pay relatively little attention to how it aligns with the needs of the businesses or the overall strategy of the firm, soon fall prey to the worst tendencies of traditional monopolies: bloat, arrogance, and overreach. They inevitably experience a backlash and make little difference to the company's competitiveness in the market.

Either of the above states as you can see are likely to result in functions becoming a drag on business performance rather than a driver of it.

**The one thing you need to know about managing functions is that for a corporate strategy to succeed, every function has a unique role to play and needs to deliver the required value.**

Business leaders or functional head need to recognise their functional objective i.e. role to play and the deliverables. Followed by developing a functional strategy that is aligned to the corporate strategy. The functional strategy in simple terms is about making the choices for whom to serve, with what offering and what capabilities & systems it needs to develop. If functions don't make good choices, they put the overall corporate strategy at risk.

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**How to Create Effective Functional Strategy:**

Strategea recommends the following questions that a functional leader should explore when putting together a functional strategy.

First, what are the strategic priorities of the Organization at large? And What is expected from the function within the strategic priorities of the organization i.e. how critical the function is within the strategic roadmap of the organization?



Second, what is the implicit current strategy of the function, as reflected in the choices that it makes every day? What needs to change in light of the new strategic priorities of the organization?

And third, what are the functional capabilities the company needs to deliver the corporate strategy

The answers to the above would help you & your team understand where your function is headed and how it would deliver the strategic priorities expected of it.

By developing a coherent functional strategy, the functions can become vital engines of the business.

**Caveat:** Not all functional strategies are as directly tied to the competitive advantage of a firm and hence the function has to play the role that the strategy demands. It definitely needs to operate in efficient and cost-effective ways that enable the firm to invest in its sources of competitive advantage

Call us to know more about how at Strategea can help you to strengthen your cultural improvement initiatives to drive higher performance, shared vision and values.

### **About Strategea:**

Strategea is your trusted partner on the journey of transforming your business into a thriving and scalable enterprise. Our mission is simple yet profound: to guide business leaders like you to realize your growth ambitions, embrace transformation, and accelerate your path to success. We work with our clients to provide holistic and customised solutions in the areas of Organization Strategy, Operations, People and Digital Transformation in order to enhance organizational performance and achieve their aspiration!

Business leaders in India face a favourable growth opportunity both in domestic market & globally. To be able to grow to the next level, business leaders need to find a way to replicate their success in new product categories which they need to enter to grow to next level, reduce their learning curve to develop profitable revenue streams in newer markets, achieve efficiencies while they scale their operations and rally their people around the growth vision & business initiatives.

Strategea brings in the required expertise to guide business leaders on solving the complexities that come their way while scaling and expanding their operations to realise their growth aspiration.

**Playing the Business Game :** Running a successful business is a high-stakes game. Your business journey has routes, detours, and all sorts of obstacles you have to work through. So you need a map. In this book “Playing the Business Game” we are addressing the construct & thinking i.e. what could be direction that you want to take, what model suits you etc. to put your business on a high growth trajectory.



**Connect with Us:**

We love to hear from you. If you are a business with a rapid growth ambition, don't hesitate to contact us. Let's begin a conversation about how we can help you achieve your goals and set your business on the path to success.

Call us on + **91 9702 875 475** or write to us on **info@strategea.in** and visit us on [www.strategea.in](http://www.strategea.in)

