IRG
Humanized Growth

Oxford Future of Marketing Initiative

WELCOME!

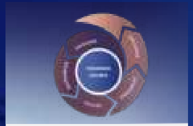
UNIVERSITY OF OXFORD
Saïd Business School
Oxford Future of Marketing Initiative

Zoom Session 5: Focus – Holistic Strategy

CONNECT
New York
14-16 Jan /
Oxford
28-30 Jan

Personal Connect

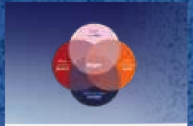
The Business Case for Humanized Growth



Drivers of Humanized Growth

Leadership Role of Marketing

Unleash: The da Vinci Growth Leader



Personal Purpose

Impact Planning

DEVELOP
Bi-weekly
Zoom
Feb – May

Ground – Roots & Heritage

Ground – Stakeholders

Reimagine – Utopian Market

Reimagine – Aspirational Role of Business

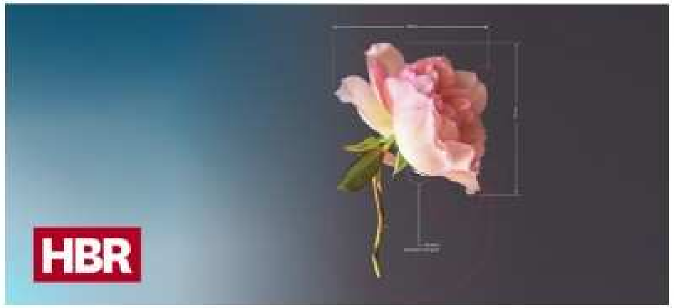
Focus – Building Holistic Strategy
2 Apr

LAUNCH
Cannes
13 – 16 Jun

Prereads

To help prepare and inspire you, please enjoy these optional prereads.

Great Strategy Considers More Than Customers and Investors
(10 min read)
Every business today is under pressure to meet the needs of stakeholders beyond its customers and investors. Some organizations may view this as a burden, but others have successfully enhanced their value by meaningfully integrating employees, business partners, and communities into their strategies. *Read the article here.*



The Essential Link Between ESG Targets & Financial Performance
(10 min read)
Tremendous progress has been made in standardizing and quantifying measures of performance on ESG criteria. This article from HBR offers a 6-step process for integrating ESG targets into your strategy. *Read the article here.*

Mars Compass
(6 min read)
To ensure the iconic company remains true to its founding ideals—an ethos of financial strength, stakeholder trust, and positive social impact— board and management create a holistic system called Mars Compass. This case from the Yale Program on Stakeholder Innovation and Management shares the process and some of the key learnings. *Read the case here.*

Agenda

05	Intro
15	IRG & Type 2 Learning
25	Practitioner Learning
25	Breakout – Coach
15	Debrief & Close

Drivers of Humanized Growth

Focus

Holistic Strategy

Prioritizing Stakeholders

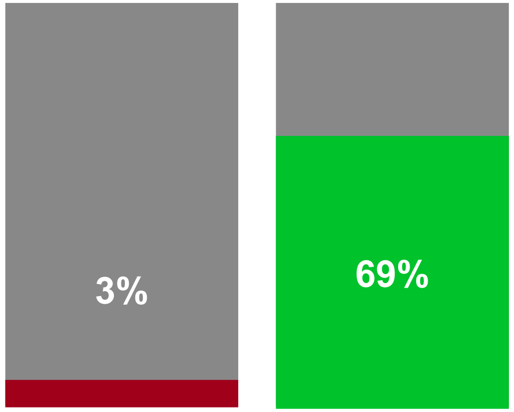
Earth is now our only shareholder.

If we have any hope of a thriving planet—much less a business—it is going to take all of us doing what we can with the resources we have.
This is what we can do.

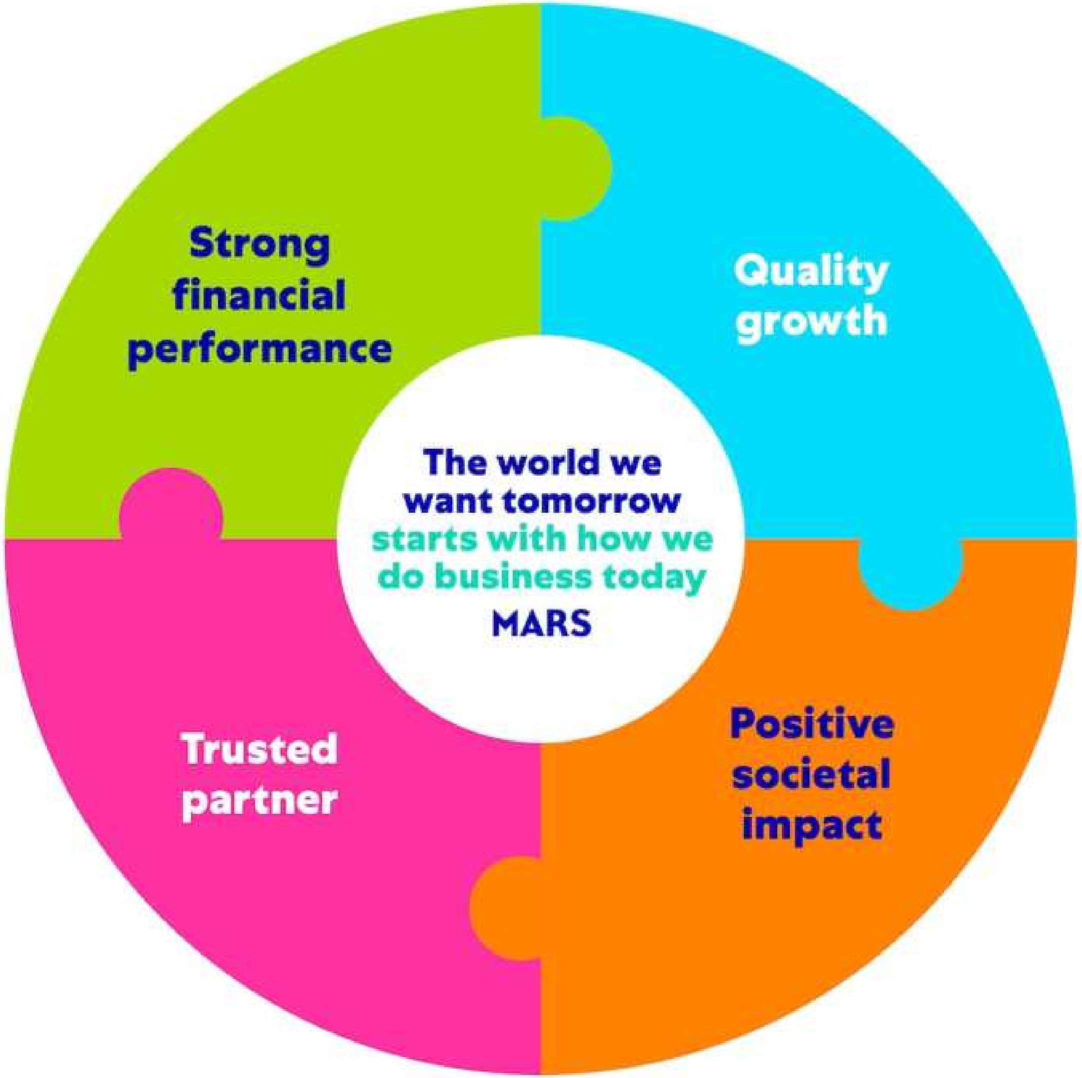
By Yvon Chouinard

Define Value Per Stakeholder

MARS



Value Creation strategy across all Stakeholders



In my company, we have a clearly defined value-creation strategy for all stakeholders.

21%

Topics for Today

What is “holistic” strategy?

How does it differ from “traditional” strategy?

What is the process for developing holistic strategy?

How should you measure your performance?

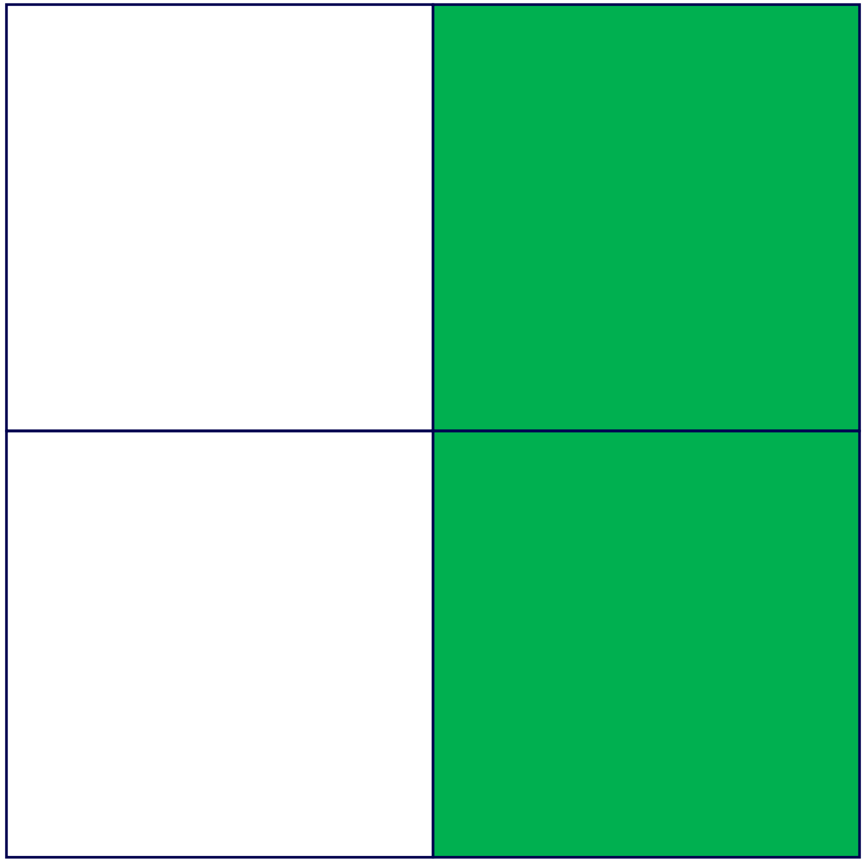
What is “holistic” strategy?

Purpose-led Business

VALUE FOR STAKEHOLDERS

NO **YES**

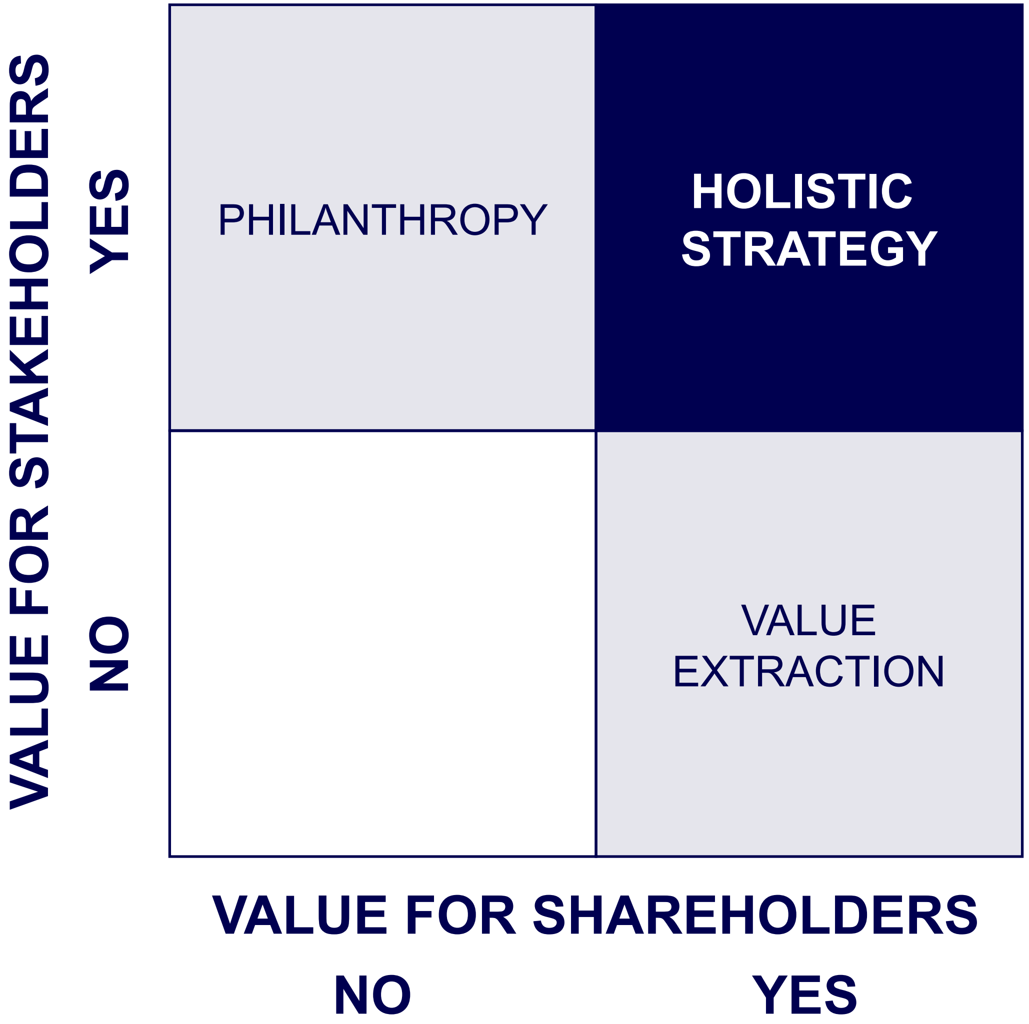
Traditional Strategy



VALUE FOR SHAREHOLDERS

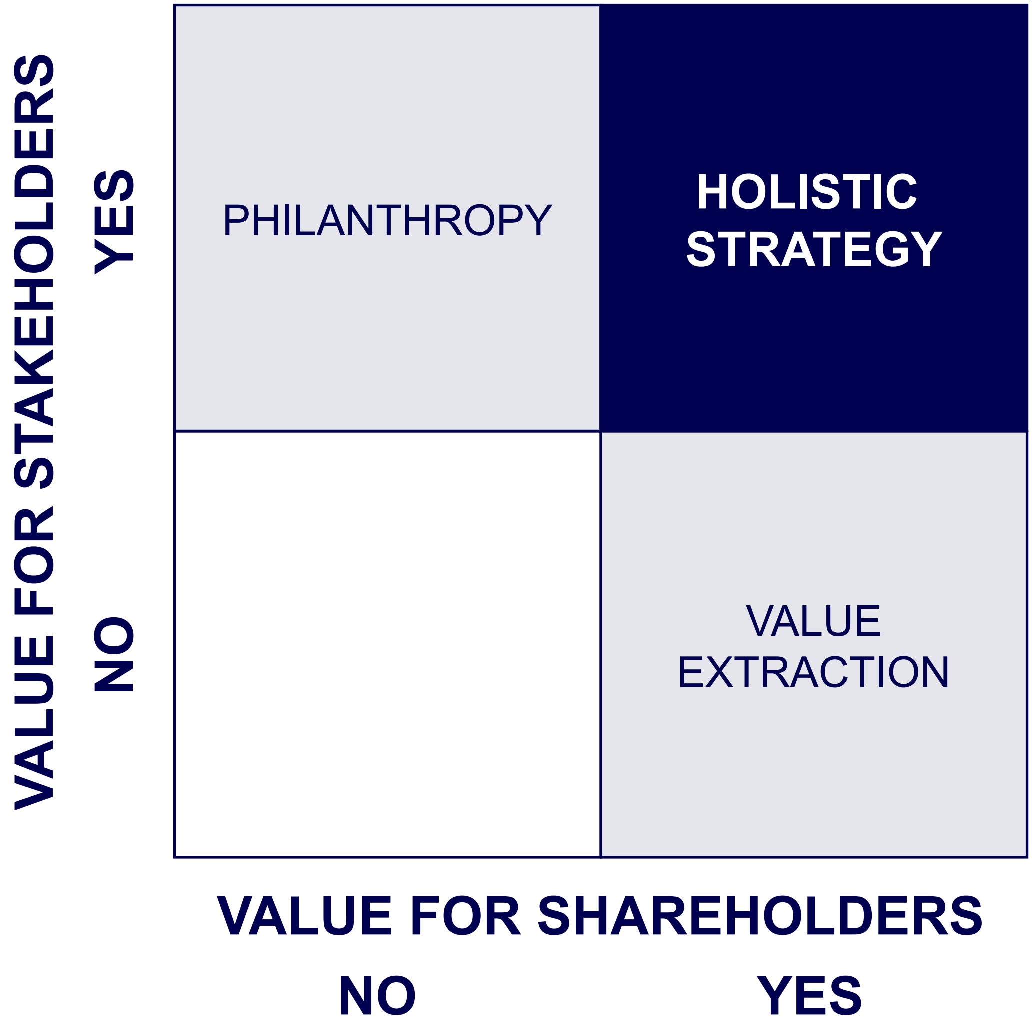
NO YES

Holistic Strategy



Holistic Strategy

Strategy that "grows the economic pie" so that there is enough value created to allow all stakeholders to be better off



Example: Dole

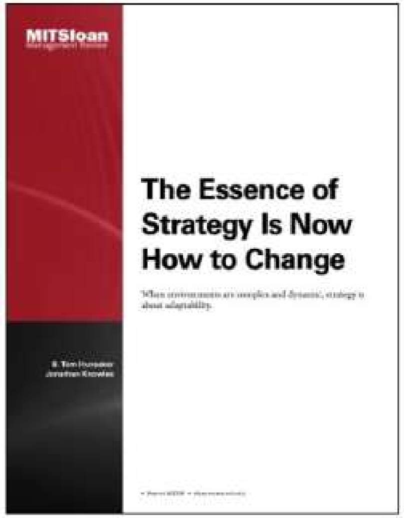
The Dole Promises

That change

- How we are structured
- How we innovate
- How we package
- How we drive supply chains
- How we measure success
- How we incentivise
- **How we grow**

Jonathan Knowles

TYPE 2 CONSULTING



Holistic vs. Traditional Strategy

The Traditional View

The Traditional View

CEREBRAL EXERCISE
ESTABLISHED RULES
CONTEXT INDEPENDENT

Two Assumptions That No Longer Hold True

1 **Industries remain stable over time**

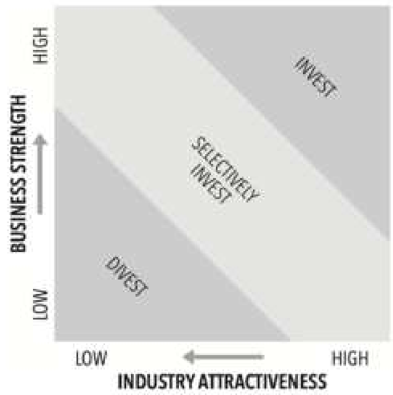
Porter's Five Forces

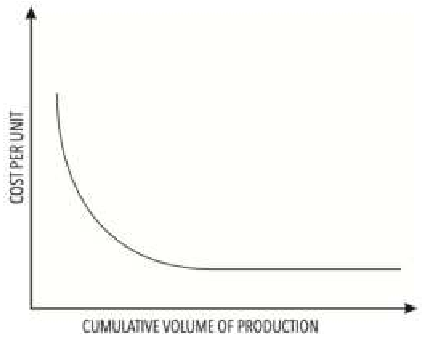
BCG's Growth/Share Matrix

2 **Shareholder Primacy**

GE/McKinsey Matrix

BCG experience curve





Traditional Strategy is about RAIL

Traditional Strategy is about RAIL

STATIC ENVIRONMENT

WIN BY BRUTE FORCE

PROFIT IS THE ONLY GOAL

Holistic Strategy is about SAIL

Holistic Strategy is about SAIL

DYNAMIC ENVIRONMENT

HARNESS FORCES

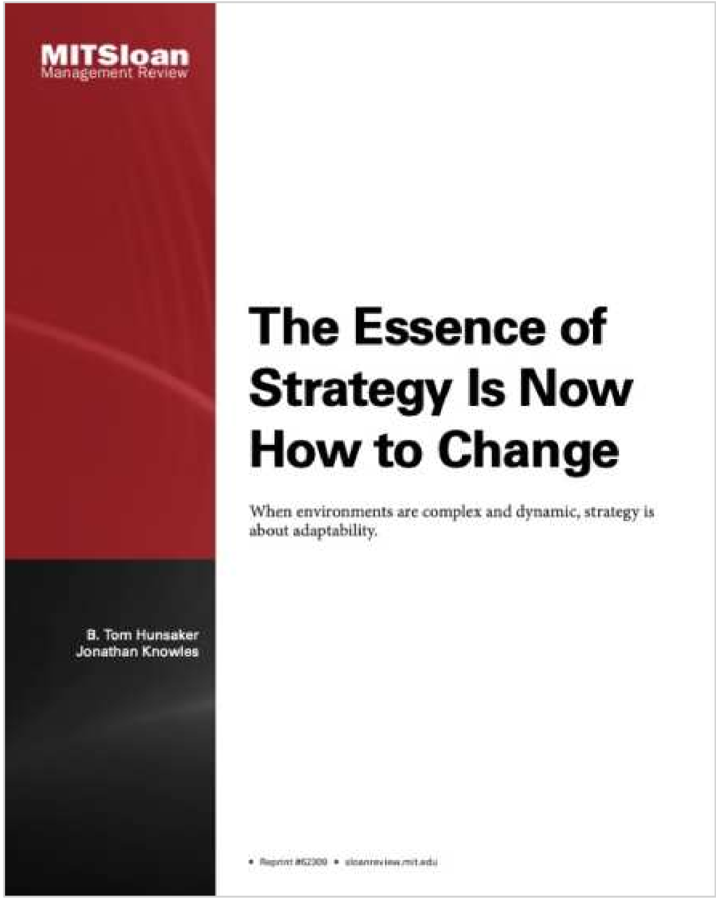
SUCCESS IS MULTI-FACETED

Principles of Holistic Strategy

Future-oriented	Based on Abundance	Integrative	Imaginative	Context Savvy
Envisages a desired future state	Involves "positive sum" thinking that goes beyond short-term tradeoffs	Involves thinking at the system level, and across stakeholder groups, not in functional silos	Necessarily involves "what if" thinking that may defy traditional measurement	Rooted in a realistic view of YOUR market and the capabilities of YOUR business

How to do it?

Change that Enables Stakeholder Value Generation



MITSloan Management Review

The Essence of Strategy Is Now How to Change

When environments are complex and dynamic, strategy is about adaptability.

B. Tom Hunsaker
Jonathan Knowles

MITSloan Management Review

Great Strategy Considers More Than Customers and Investors

Employees, business partners, and local communities are often overlooked but are essential stakeholders in business strategy.

B. Tom Hunsaker
Jonathan Knowles
Russell Baris
Richard Ettenson

The 3 Types of Strategic Change

Magnitude:

“We need to enhance our execution of the current path.”

Activity:

“We need to adopt new ways of pursuing the current path.”

Direction:

“We need to take a different path.”

Two Criteria for Measuring Current Performance

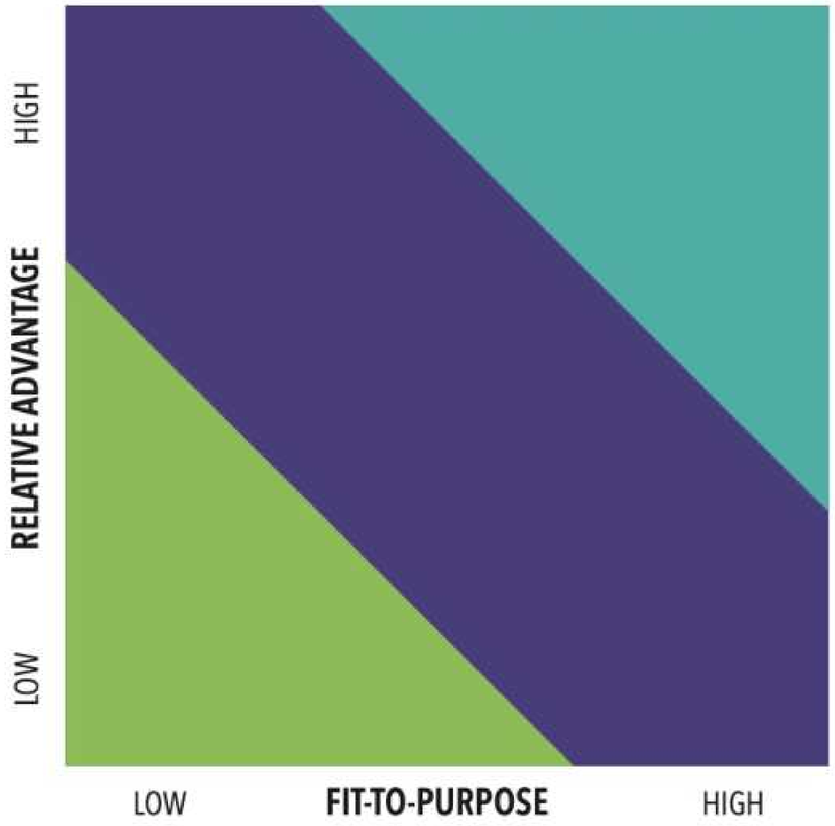
FIT TO PURPOSE

How well do our current offerings and ways of doing business fit with the preferences of our customers, employees, suppliers, distributors, communities, and investors?

RELATIVE ADVANTAGE

How distinctive do customers, employees, suppliers, distributors, communities, and investors consider our current offerings and ways of doing business to be?

What Form of Change Should You Pursue?



Magnitude:
Double down on execution of your current strategy

Activity:
Innovate your tactics

Direction:
Pivot to a new strategy

Actions to Consider

STAKEHOLDERS	ENHANCE MAGNITUDE
CUSTOMERS	▪ Invest in the growth of your core offerings
	▪ Emphasize brand equity over price
	▪ Expand sales and service teams
	▪ Invest in customer segmentation
	▪ Monitor industry trends & customer needs
	▪ Migrate customers to a recurring revenue model
EMPLOYEES	▪ Reinforce focus and purpose
	▪ Increase recruitment and training on customer success
	▪ Accelerate R&D on next generation of current offering
	▪ Promote work/life balance to aid retention
SUPPLIERS & DISTRIBUTORS	▪ Enlarge partner ecosystem
	▪ Streamline partner contributions
	▪ Lower sourcing costs
COMMUNITIES	▪ Invest in community economic development
	▪ Fund employee volunteering
INVESTORS	▪ Consider economy of scale merger
	▪ Assess opportunity for economy of scope merger
	▪ Refinace debt and secure lines of credit

Magnitude:
Double down on execution of your current strategy

Activity:
Innovate your tactics

Direction:
Pivot to a new strategy

Actions to Consider

STAKEHOLDERS	REIMAGINE ACTIVITY
CUSTOMERS	▪ Customize service offerings
	▪ Focus on areas of unique competence
	▪ Explore pricing optimization & bundling
	▪ Consider new forms of distribution
	▪ Digitize inefficient parts of the customer experience
	▪ Adopt rival competence/white label their services
EMPLOYEES	▪ Realign your purpose and organizational structure
	▪ Focus on specific skill sets
	▪ Fund R&D on next generation of technology
	▪ Promote cultural adaptation
SUPPLIERS & DISTRIBUTORS	▪ Offer unique/enhanced value
	▪ Outsource business functions
	▪ Drive down supply and distribution costs
COMMUNITIES	▪ Enhance focus on corporate reputation
	▪ Undertake community-based branding
INVESTORS	▪ Initiate industry consolidation
	▪ Merge to acquire new capabilities
	▪ Cut costs to enhance margins

ENHANCE MAGNITUDE

Magnitude:
Double down on execution of your current strategy

REIMAGINE ACTIVITY

Activity:
Innovate your tactics

SHIFT DIRECTION

Direction:
Pivot to a new strategy

Actions to Consider

STAKEHOLDERS	SHIFT DIRECTION
CUSTOMERS	▪ Redefine your value proposition
	▪ Retrench to segments where you have advantage
	▪ Enter new product/service markets
	▪ Consider going direct-to-customer
	▪ Explore acquisition by major customer
	▪ Leverage technology to reconceive your business
EMPLOYEES	▪ Articulate new corporate focus and purpose
	▪ Retrain to match new required job skills
	▪ Fund R&D on disruptive service offerings
	▪ Offer early retirement / implement downsizing
SUPPLIERS & DISTRIBUTORS	▪ Partner to reduce barriers to entry in new markets
	▪ Explore potential for vertical integration
	▪ Explore direct distribution
COMMUNITIES	▪ Loan people to community organizations
	▪ Donate facilities
INVESTORS	▪ Seek potential purchasers
	▪ Diversify the portfolio
	▪ Manage for cash returns

ENHANCE MAGNITUDE

Magnitude:
Double down on execution of your current strategy

REIMAGINE ACTIVITY

Activity:
Innovate your tactics

SHIFT DIRECTION

Direction:
Pivot to a new strategy

7 steps to Holistic Strategy

1. Measure your **Fit-to-Purpose** and **Relative Advantage**

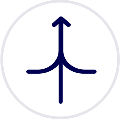
2. Determine your **Change Signal**

3. Analyze how your market is changing

4. Identify how to create future **Fit-to-Purpose** and **Relative Advantage**

5. Evaluate the alignment of these ideas with your **Purpose**

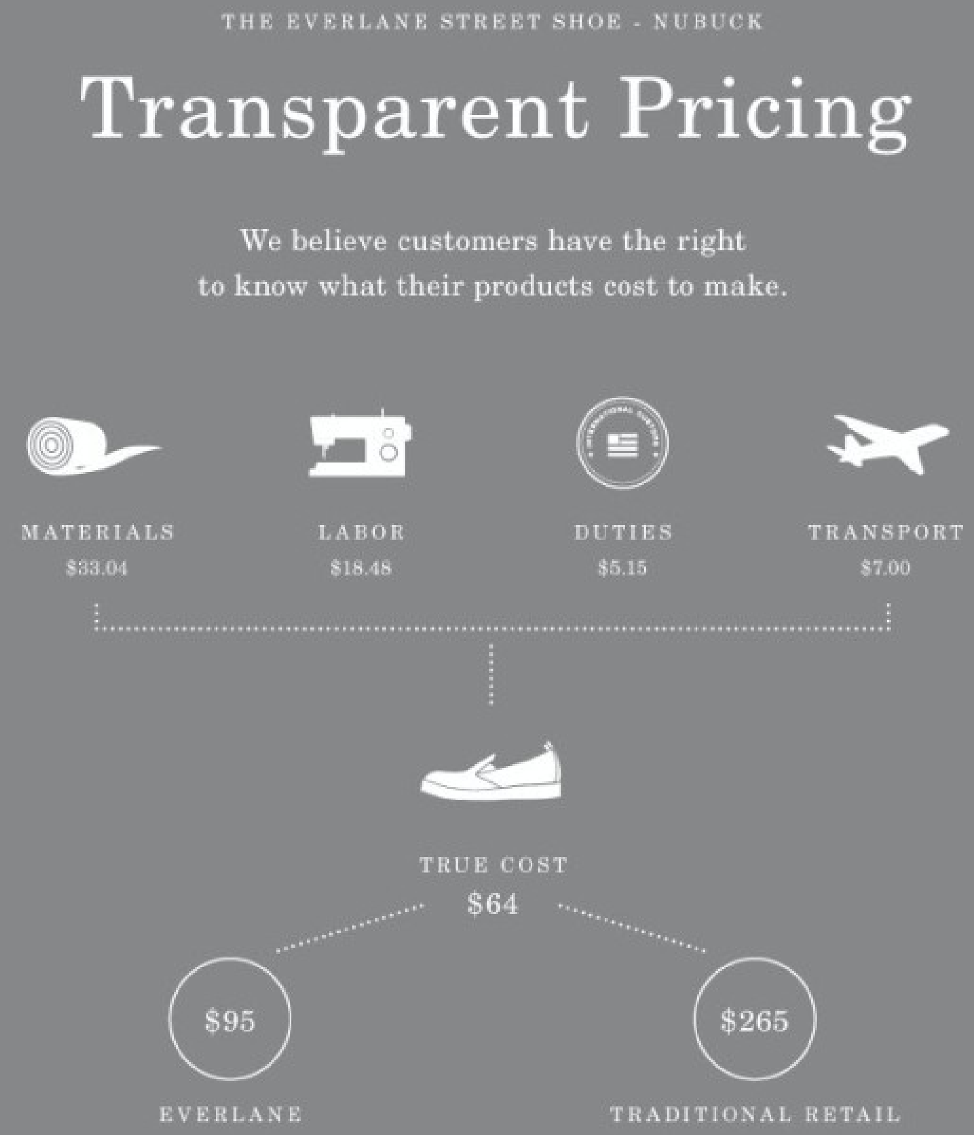
6. Choose a set of coherent, mutually reinforcing actions



7. Determine the metrics for measuring progress

Measuring Performance

Educate Stakeholders on value created



New and shared KPI's

New KPIs

KPIs for measuring intangibles

BAVGROUP

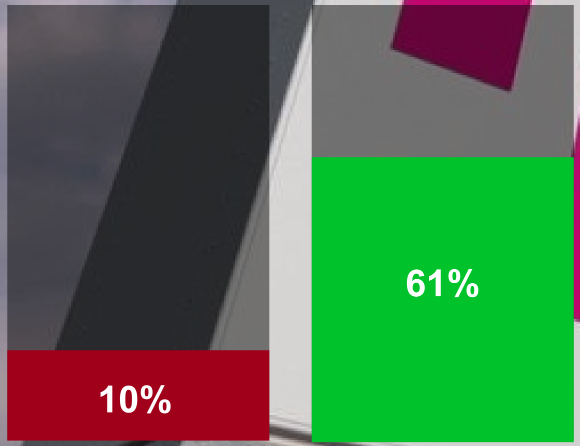
1 amazon
2 YouTube
3 Google
4 prime
5 Disney
6 Swiffer
7 NASA
8 OpenAI
9 Apple
10 android
11 febreze
12 SAMSUNG
13 Mr Clean
14 Microsoft
15 Pinterest
16 NETFLIX
17 BOSE
18 PIXAR
19 Sharpie
20 m&m's
21 Reese's
22 SONY
23 Ziploc
24 hp
25 NATIONAL GEOGRAPHIC
26 DELL
27 DURACELL
28 Tide
29 dyson
30 LEGO
31 CLOROX
32 OxiClean
33 Energizer
34 Etsy
35 OREO
36 SPACEX
37 Discovery CHANNEL
38 Rubbermaid
39 SKECHERS
40 DAWN
41 IMAX
42 Walmart
43 Wikipedia
44 TESLA
45 BAND-AID
46 Pringles
47 Doritos
48 Nintendo
49 intel
50 LG

Aligned Incentive Plans

Performance-related compensation components

Variable II (LTI)
Long-term variable performance-based remuneration

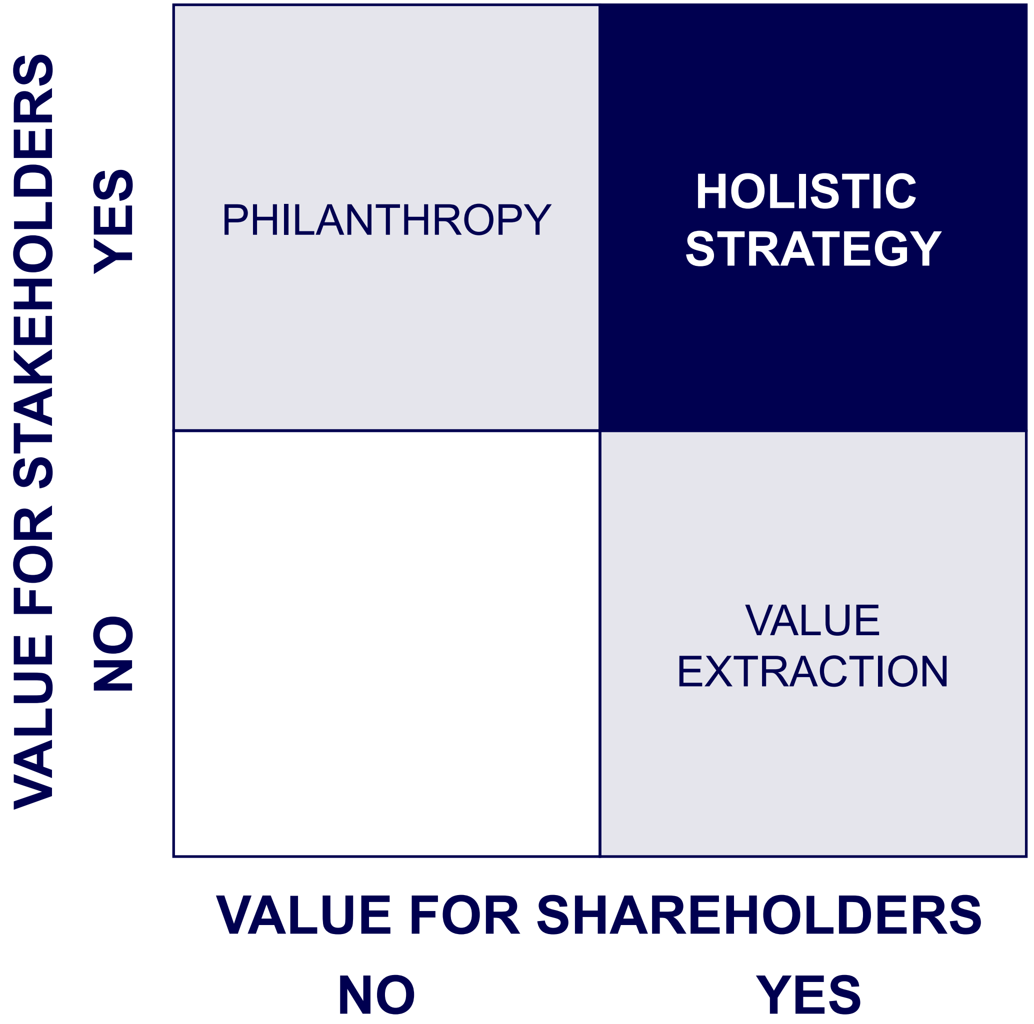
- 25 % Return on capital employed (ROCE)
- 25 % Earnings per share (EPS)
- 25 % Employee satisfaction
- 25 % Customer satisfaction



Shared targets and KPIs

Wrap-up

Holistic Strategy



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Cindy Tervoort

Former CMO

Discuss your Strategy!

✓ **Future-oriented**

Envisages a desired future state

✓ **Based on Abundance**

Involves "positive sum" thinking that goes beyond short-term tradeoffs

✓ **Integrative**

Involves thinking at the system level, and across stakeholder groups, not in functional silos

✓ **Imaginative**

Necessarily involves "what if" thinking that may defy traditional measurement

✓ **Context Savvy**

Rooted in a realistic view of YOUR market and the capabilities of YOUR business

Breakout: Coach

Which criteria are you least confident about?

Do you have advice / experience to share with your peers?

What's next?

Driving Transformation

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Oxford
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Focus – Driving Transformation

LAUNCH
Cannes
13 – 16 Jun

Heather Currier Hunt

Head of L&D

Perkins&Will

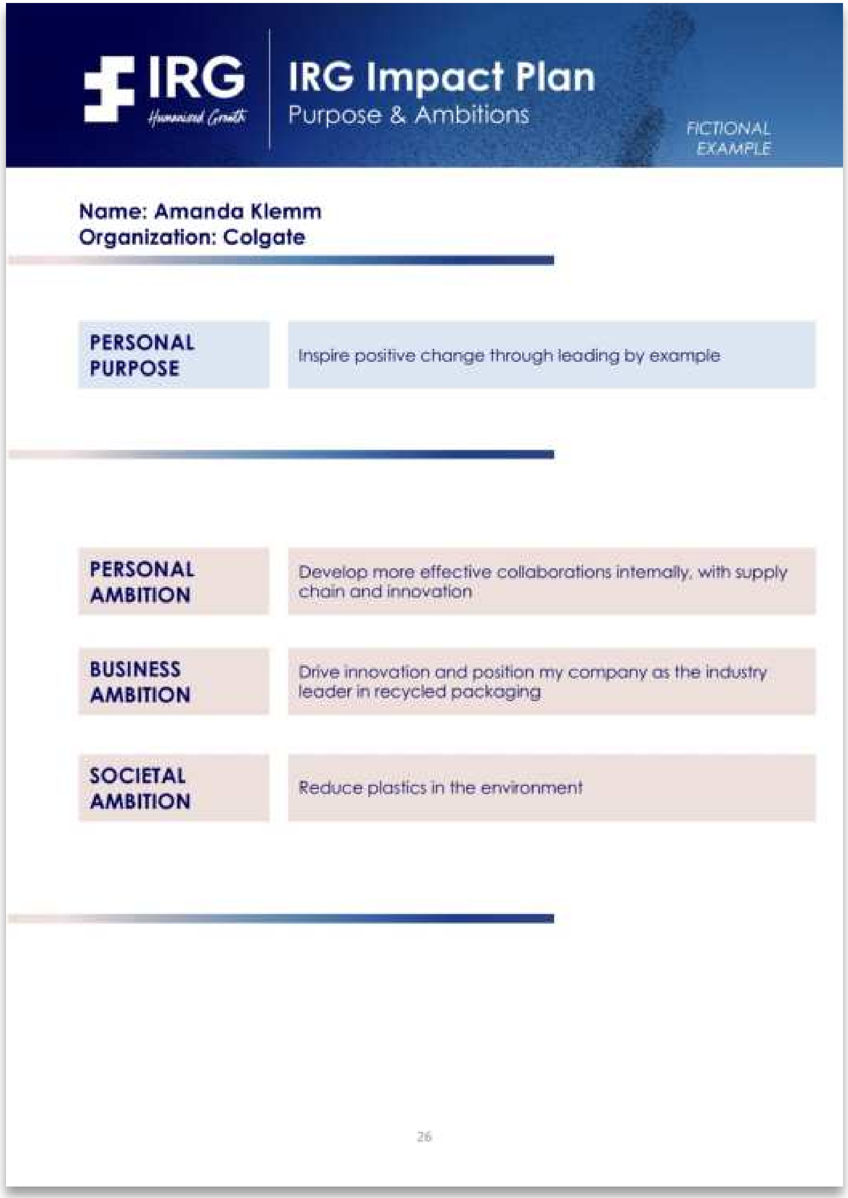
Jill Cress

CMO

H&R BLOCK

Impact Plan

MILESTONE	Validated Ambitions
DEADLINE	April 2nd



IRG Humanized Growth

IRG Impact Plan
Purpose & Ambitions

FICTIONAL EXAMPLE

Name: Amanda Klemm
Organization: Colgate

PERSONAL PURPOSE	Inspire positive change through leading by example
PERSONAL AMBITION	Develop more effective collaborations internally, with supply chain and innovation
BUSINESS AMBITION	Drive innovation and position my company as the industry leader in recycled packaging
SOCIETAL AMBITION	Reduce plastics in the environment

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Impact Plan

Personal Purpose → Personal – Business – Societal Ambition

These build on each other, they are related

This process is iterative

The sessions inspire thinking and help you refine the opportunity for you, your business, and your business in society.

Sparring Sessions

1. Wednesday April 9 @ 8 am ET / 2 pm CET
2. Wednesday April 23 @ 8 am ET / 2 pm CET
3. Friday May 9 @ 8 am ET / 2 pm CET

- Key Take Outs
- Implications for your plan