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# **Connecting up Strategy: Are Senior Strategy Directors a missing link?**

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Today, strategy appears to be everyone's domain. Senior functional executives often have titles such as senior vice president of strategic marketing, head of strategic IT, global strategic operations director, senior vice president of global strategic HR. Even within functions and business units many executives now have strategy titles. This proliferation of 'strategists' may reflect the increasing pressures upon businesses to respond more rapidly to environmental change not only through incremental revisions of products and services but also through re-aligning strategy, structure and process<sup>1</sup>. This requires all aspects of business to become more strategic in outlook. Learning and unlearning more rapidly is the new mantra and paradoxes are being driven down into organizations more than ever so that each part of the business needs to be strategically agile and yet stay nimble and flexible - making strong choices and resource commitments for the long term whilst remaining able to constantly adjust courses of action and development trajectories<sup>2</sup>. In reacting rapidly, flexing and managing paradoxes, significant strains are being placed upon the interconnectedness of organizations. In order to manage these tensions effectively there is a need for greater strategic engagement and awareness than before and this may explain the emergence of a new breed of C-level executives primarily focused upon strategy. However, there are very few studies on the role of US senior strategy executives (sometimes called CSOs<sup>3</sup>). So far it is not clear how they are involved in 'connecting up' strategy and whether their activities are similar in other countries.

This article focuses upon the role of UK senior strategy executives and how they are involved in the connectedness of strategy. Specifically it examines the role, activities and capabilities of existing senior executives tasked with strategy and whether they help organizations become more agile. These 'Senior Strategy Directors' (SSDs), defined as senior board level (non CEO) executives, whose very job is about the strategy of the business, ought to be closely involved

with the connectedness of strategy in all its aspects and yet we know very little about what they do. The proliferation of strategy titles throughout large firms makes an enquiry into the role and work of the SSD particularly pertinent if everyone else is now a strategist.

This article therefore addresses the following question ‘what is the role of the SSD?’ In particular: i) what do SSDs do? ii) what specific capabilities do they deploy to enable effective contribution to the firm? iii) in what ways do SSDs facilitate the connectedness of strategy?

Compared to previous US studies focusing on senior strategy executives, our research is distinctive in three ways. First, we examine SSDs in a different context, the UK, second we adopt a novel practice approach to uncover their actual activities and capabilities, and third, we focus on the ‘interconnected nature’ of their role. By focusing on UK SSDs we are able to draw comparisons with existing studies of US counterparts in order to determine similarities and differences across national borders.

### **The Senior Strategy Executive in the US.**

Traditionally, the way strategy is made and executed is primarily associated with the actions of managers functioning at upper hierarchical levels. Attention has focused predominantly upon the CEO, with many empirical studies demonstrating they can have substantial affect upon firm performance. This ‘upper echelons’ perspective<sup>4</sup> has put at center stage CEOs, their top management teams, and the boards of directors, as the most important ‘strategists’ in organizations. However it is only very recently that attention has focused upon a new type of C-level executive, the senior strategy executive. In 2007 the Harvard Business Review reported a study based on media data, from 100 appointments of senior strategists, and interviews<sup>5</sup>. These executives, described as Chief Strategy Officers (CSOs), have a multiplicity of titles and diverse

backgrounds but share many commonalities of role. They are involved in strategy formulation, strategy refinement and its implementation. In Mintzbergian terms, they straddle the classic divide in strategy, between formulation and implementation. This breadth of activity means CSOs need to be able to tackle a wide range of challenges such as consumer innovation, international expansion, M&A, communications, process redesign - a range which most people in functional oriented careers have not experienced. They work with and influence a wide range of executives and this requires a broad mix of skills and experience. CSOs have significant authority to make things happen and are often given carte blanche to tackle company wide challenges and seize new business opportunities. Generally they achieve their aims through the use of direct authority and in a few instances, influence through reflected authority – the implicit or explicit support of the CEO. The CSO therefore is a powerful figure, acting behind the scenes to directly influence and organize managers in order to achieve strategic alignment. In this image, the CSO is a star player, with a strong track record of achievement and a CEO in-waiting.

Recently the McKinsey Quarterly (2008) reports findings from a round table of senior strategy officers<sup>6</sup>. Various titled senior vice presidents of strategy and investor relations; strategy and business development; strategy and execution, the round table identifies that these CSOs also feel there are certain commonalities in the role. Firstly they all comment upon the centrality and importance of the CEO as chief strategist and recognize the CSO's role is dependent upon the CEO for sign-off decisions. The critical role of the CEO means that the CSO needs to be able to complement their specific skills and tendencies and add value by being able to explore facts and alternatives around the various strategic choices which face them. Secondly CSOs have one foot in the corporate suite and the other deep in business units. Although there were differences in emphasis, with some strategies more head office driven and others business driven, there was

agreement that CSOs get feedback from businesses, overlay global trends and then prioritize opportunities. Thirdly balancing short and long term goals was perceived as an important challenge and some felt it the most important one. This would vary from emphases on expansion to restructuring depending upon the state of the market. Despite these pressures CSOs had to always maintain some sort of balance between long and short term issues.

The tensions and balances identified illustrate that CSOs need to have a Janus like propensity – the ability to face in two directions simultaneously, balancing short and long term as well as balancing transmitting from the top from the organization with feeding back from business units. The CSO's role in implementation consists of taking a remote position of planning, telling, challenging and evaluating businesses and their performance. Only a minority are more ready to dive into a business unit and become a core part of its strategic initiatives. This round table discussion also appears to characterize the CSO as a powerful and somewhat remote figure, shaping, dictating and evaluating strategy in an organization.

So far studies on senior strategy executives have focused upon the role of CSOs in the US<sup>7</sup> and have tended to downplay the capabilities they deploy. They have not examined the role of senior executives in other macro-social and national contexts where there is potential for new insights<sup>8</sup>. We adopt this line of thinking in this study by examining senior strategy executives in the UK and through the use of a novel perspective to reveal the capabilities and skills they deploy.

## **Our Approach to Study UK SSDs**

The new Strategy-as-Practice perspective<sup>9</sup>, provides a useful lens for examining senior strategy executives (SSDs) as it redirects strategy analysis from an organizational focus upon strategy as something an organization 'has' towards an individual level of analysis, of strategy as something

executives ‘do’. It dives into their day-to-day activities to uncover what they spend their time doing, rather than inferring their actions and roles from the overall strategic efforts of the organization. In the Strategy-as-Practice view, strategy is accomplished socially through the actions and interactions of multiple levels of executives. This lens is used here to present individual level data so that a rich picture of the work of senior strategy executives can be constructed. From this picture, the role and contribution of SSDs to strategy will be assessed.

The data for this article is derived from a rich hybrid method. It consists of two sets of in-depth interviews with SSDs in the largest companies in the UK, collected five years apart, as well as longitudinal data collected from two large multi-business firms. Overall, our data consists of 97 in-depth interviews with SSDs, their strategy teams and significant stakeholders directly involved in strategy processes. Further detail on the research is contained in the appendix. To present our data we use three concepts central to the Strategy as Practice approach<sup>10</sup>:

- **Practitioners.** These are the workers of strategy and include SSDs, their strategy teams and other specialized strategists in the organization. Practitioners also include other significant strategy stakeholders who influence the process. These may include other senior managers and externally consultants, investment bankers, lawyers, accountants. For this study, our focal practitioners are SSDs and strategic stakeholders operating in and around large firms.
- **Praxis.** This is the actual work of strategy – what strategists do. This includes presenting, meetings, consulting, writing, communicating and so forth. All these deliberate activities may be drawn upon in order to make and execute strategy.
- **Practices.** These refer to shared routines of behavior, including traditions, norms and procedures for thinking, acting and using ‘things’.

## ***Practitioners – the SSD***

The first thing that struck us investigating SSDs is the variety of titles they hold. For instance we often encountered: Global Director of Strategy, Head of Strategy, Executive Vice President for Business Strategy, Global Business Development Director, Executive Director of Strategy and M&A, Strategic Planning Director, Corporate Development SVP. Amongst these ‘different’ executives are nuances in activities with some oriented towards process management, others towards planning and some more focused upon M&A. However, overall the stronger overall impression is that they all operate across a very broad portfolio of activities<sup>11</sup>. Despite the variety of titles, SSDs remark these are not very important as in practice the activities beneath the titles overlap significantly. Indeed in discussing this point with SSDs most comment on their titles as being arrived at through a rather ad-hoc process with little intention that the title should necessarily resonate deeply with the content of the job. The variety of titles reflects the difficulty in prescribing clearly the actual scope and activities of SSDs and underlines the fluidity of their actual work which is described later.

Another peculiarity of SSDs is their ‘location’ in the hierarchy of the firm and their position relative to other senior executives. The following figure illustrates their main locations.

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Insert Figure 1 about here  
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These organizational charts show that the primary direct report is with the CEO – sometimes as the only report and sometimes with another report. We identify three different types of SSD in terms of their position on organizational charts. 1) The SSD sitting on the main board in their own right. This is often a long serving executive of the organization with substantial previous



line experience. 2) The SSD reporting to a main Board Director and also working closely with the CEO. This is frequently a high powered management consultant brought into the business for their industry knowledge and superior analytical skills. This outside person may have also have been brought into the head office strategy team at a more junior level and been promoted to this position<sup>\*</sup>; 3) the SSD who is not on the main board but is the right hand confident of the CEO. This is often the ex-senior partner of a major consulting firm or a senior industry figure from outside the firm who brings a rich external perspective to the business.

Despite our attempts to depict SSDs' position in large firms, the more important observation is that these sorts of organizational charts do not tell the whole story. Characteristic of SSDs is that their positions are more fluid than conventional schema can show. Whereas other divisional heads are atop a vertical chain of command consisting of large numbers of direct reports, this is not the case with SSDs who generally have very few direct reports. In most cases SSDs have teams of just two or three executives and some have no direct reports at all. As Ken Whitton, Kingfisher Group Plc remarked, *'We toyed with this idea of direct reports in the businesses and obviously I found it an attractive idea but I just found it an unworkable model'*. However all SSDs have multiple social links across multiple divisions and departments as well as vertically within them. This means SSDs are in many 'locations'. For instance they may well be nominally 'above' line managers in organizational hierarchical terms but it is clear that line managers are more powerful individuals in the firm and do not report to SSDs. The location of SSD is therefore difficult to represent in classical organizational chart form.

As noted at the outset of the article there are a wide range of other practitioners involved in

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<sup>\*</sup> It is worth noting that companies often place their smartest young executives in a strategy function early in their careers to give them exposure to the rest of the business but they are then rotated out into line positions. It is unusual for them to remain and rise to board level through the strategy route;

strategy. Internally the CEO is the prime strategist and all senior board level executives have direct and continuous involvement. At head office there is generally a small cadre of managers with full time direct strategy responsibility – a strategy team. Beneath the senior executive layer, line managers are involved in an annual strategy planning cycle but their strategic engagement varies significantly depending upon whether there are strategic initiatives affecting their area. Beneath them there may be a dedicated strategy manager who may have some dotted line reporting to the strategy team at Head Office but more often than not they are dedicated to the head of their business unit. Similarly there may be functional heads in divisions such as Finance or Marketing Directors who take upon themselves strategy issues but they generally don't report directly to the SSD. Deeper into the company lower level managers may have little to do with strategy unless a strategic event affects their area or if they attempt a strategic initiative. In other words, apart from the very uppermost levels of the firm, strategy engagement ebbs and flows in depth and intensity throughout the whole organization.

A distinguishing feature of SSDs is that they are embedded in very extensive social networks of strategy stakeholders. Internally the main contacts are primarily the CEO, divisional heads, functional heads, strategy teams at head office, within division and business units as well a numerous other senior executives who became relevant depending upon the strategic episode. These networks are fluid and change as strategic initiatives surface or disappear. This means SSDs are not only operating across the top layer of the firm but also down into parts of the business where strategic initiatives are occurring. As one SSD put it<sup>12</sup>, *'I see myself as a spider knitting lots of bits of web together as needed'*. High levels of internal connectedness are critical for the SSD to be able to perform the role of engaging across the firm in all issues with strategic impact. Interestingly, although SSDs do interact with external experts such as lawyers,

accountants, investment bankers for specific projects such as an acquisition or disposal, their social networks are heavily oriented towards internal connectedness.

## ***Praxis – the work of strategy***

### **Activities**

In all cases SSDs are engaged in a broad mix of strategy issues such as formulating strategies ‘de Nuevo’; ‘*contextualizing strategies*’ (Bryn Thomas, Peugeot UK), acting as a sounding board; translating strategies articulated by the CEO into practical implementable plans; communicating strategies to a broad range of internal and external stakeholders; ‘*allocating resources efficiently*’ (SSD, Reed Elsevier Plc); aligning internal stakeholders to strategies; acting as a strategy broker for in-company interest groups; guiding and managing the implementation of strategies, evaluating the performance of strategy projects.

Whilst SSDs sometimes come up with new strategies for the firm, it is more often the case that their primary role is working alongside the CEO in debating, refining and articulating strategy. The strategic vision is generally owned by the CEO with the SSD acting role as an objective sounding board – an ‘organizational conscience’ reminding top management of overall aims, objectives and balance. In David Bridges’, Taylor Wimpy Plc, words, ‘*I am the Jiminy Cricket*’<sup>13</sup> *of the Organization. I am forever saying what about balance, what about the long term?*’

Otherwise SSDs generate a more limited set of strategic initiatives within a broad direction set by the CEO. These initiatives however could embrace a bewildering array of activities causing SSDs to comment upon huge job span. As David Bridges says ‘*I am the Director of everything else*’. It seems that they need to be able to engage with a very broad set of issues and many remark ‘*The biggest challenge is breadth – a critical skill*’. Asked about the relative balance of

their efforts, Tom Ward, Scottish and Newcastle Plc remarked that *'10% of my time is spent on strategy, 15% on planning and 75% on implementation.'* Paradoxically maintaining the big picture, whilst also being able to bring about micro implementation, is also a major challenge. David Bridges remarks *'You need a helicopter perspective and although mustn't get sucked into the day to day, the day of the egghead SSD, removed from actual implementation, is long gone'*. Sarah Taylor-Martin of Reuters concurs, *'The way in which a lot is achieved is not in an ivory tower'*. Coping with these tensions of breadth and depth it is not surprising there is significant time pressure *'4 hours sleep in 72 hours - I can't even get to read the Financial Times!'*

The SSD's primary work is to i) liaise closely with the CEO, supporting their activities, and ii) to be highly embedded in the business across multiple levels to make things happen. i) Closeness to the CEO is well illustrated by Sarah Taylor-Martin's comments that *'we worked very tightly in tandem – constantly popping in and out of each others offices'*. *'I saw the CEO on almost a daily basis'*. In several cases SSD offices are located next to the CEO's and most meet together almost every day. ii) The importance of high embeddedness in the business is being aware of all strategy issues in the firm. This can only be achieved by SSDs being out and about, visiting and meeting with a wide variety of stakeholders across the firm. In this way the work of SSDs is distinctive in connecting across silos of interest and linking multiple stakeholders in fluid ways.

Externally, SSDs interact with experts such as lawyers, accountants, investment bankers, consultants for specific projects such as a restructuring. These links tend to be on a project by project basis. Although the SSD is fully informed of the progress on strategic projects, they are not always the ones working most closely with these advisors. Overall SSD's social networks are heavily oriented towards internal rather than external strategy practitioners.

The content of the SSD's work is a mix of formal, informal and opportunistic tasks. For instance there might be a formal process of identifying a market segment based upon rational analysis but then an opportunity might surface which achieves the original objectives better or provides better avenues for expansion. *'We had selected one opportunity for acquisition based upon rational analysis but suddenly an opportunity arose which met the objectives more effectively and also added something'*. Much of the work of SSDs is ad-hoc in which a wide variety of tasks can spring up at any time. This might involve making acquisitions, disposals, entering new markets, marketing initiatives, bringing about change. As Sarah Mitson, TNS Plc says, *'I see myself as a corporate intrapreneur – a champion of change'*. The breadth of this work requires a truly broad range of knowledge and analytic skills. The key however is that SSDs are *'the guy that makes things happen'* (Tom Ward).

The day- to- day job for an SSD is very varied to the extent that none had a typical day. As David Bridges says, *'the job is very fragmented, consisting of many meetings, periods of time spent thinking, analyzing and getting information'*. Significant time is spent visiting parts of the business where they can learn through listening and observing and where they can persuade. *'I spent most of my time in meetings because, frankly, that was the role'*. *'If I was to estimate how much time I spent on different parts of the job it would be approximately 40% in meetings; 30% thinking, analyzing, getting information and 30% visiting parts of the business'*. Being involved in many workshops is a characteristic of this fragmented job. These workshops vary significantly in character with some being *'intense, reflective workshops where we would encourage managers to think about the future'* and others designed to interrogate initiatives.

In all cases the SSDs in this study had very few real resources with which to perform their jobs. Most had small teams of between 2 and 5 executives and as Sarah Taylor-Martin says *'I*

*deliberately kept my little group of people and resources small because I didn't want to be able to do anything without buy-in – you can't be directional, you can't insist people do things or they will be fired. Its about getting collective ownership of a story'. Another SSD says 'its less about a small concrete team at the centre and more about a distributed virtual network - connections through which things get done' (SSD, Amec Plc). SSDs also have no P&L responsibility. As David Bridges put it, 'I only have 'Loss' responsibility'.*

Overall, SSDs are involved in a plethora of activities. They are performing a complicated role across multiple levels. Summarizing their activities, at the corporate centre they are i) *initiating strategy* (through formulating, analyzing); ii) *reflecting strategy* (as sounding board, confident and acting as organizational conscience) and iii) *executing strategy* (through communicating, persuading, guiding). Knowledge is generated here amongst the members of the central strategy team through their interactions. Looking outward from the centre towards the wider strategy stakeholder group, SSDs are also iv) *coordinating*; v) *supporting*; vi) *collaborating* (through communicating, translating, guiding, persuading, managing, meeting, monitoring). Here the emphasis is on interactions between stakeholders with strategic interests representing various organizational levels. The construction of knowledge with this extended strategy group is during meetings, workshops, teleconferences, virtual teams and away days. The SSDs role is to achieve alignment by whatever means is possible. *'The word I would use is facilitator, an enabler. Sometimes the gears don't mesh in an organization.'*

## **Capabilities**

How do SSDs develop and disseminate the work of strategy? In all cases SSDs have low positional power. None of them believe they have the power to tell any divisional or line manager what to do and none of them tried based on their own authority: *'I didn't have any*

*positional power as it were over the divisional heads*’ (Sarah Taylor-Martin, Reuters). Although all of them say they could call upon CEO support in exceptional circumstances and could also resort to reflected power, this is avoided in practice as it undermines SSD credibility. As the ex strategy director of Bass Plc says, *‘the biggest indictment is to rely on the authority of the ultimate decision maker to things to happen because the role is to enlist the support of people from across the organization, to listen to them and understand them’*. Relying on CEO status raises ‘power barriers’ between SSDs and line managers and impairs their ability to be embedded in the business. As Ken Whitton remarks, *‘They never forgot I saw the CEO every day and this could be a barrier if I was perceived as his henchman’*.

Divisional heads value the SSD’s access to the CEO and Board and often use them as sounding boards for their presentations and initiatives. *‘SSDs are often involved in so many high level things that they are perceived as a useful person to bounce things off’* (SSD, Yell.com Plc).

However this only works if trust between the parties has been established. As Tom Ward says *‘They have got to be able to trust you with sensitive information – their doubts and concerns. If they don’t trust you, you can’t do your job’*. SSDs *‘must be seen to have the confidence of the CEO and have the ability to get things through the board’*. In many cases executives seek out the SSD as the right person for advice on new ideas and initiatives and how these may be presented internally. As Ken Whitton says, *‘I was aware when they were floating things past me and I think they found that helpful. It was a shortcut for them’*. In some instances SSDs co-present these initiatives as they are able to communicate more effectively at this level than the originators of the ideas. This ‘incubator’ or ‘business angel’ role is a good example of a mechanism for connecting initiatives from organizational grass roots to the very top.

In order to carry out their hugely demanding and varied job with low actual power and few real

resources requires high socio / political and technical capabilities. Being perceived as astute / wise - socially connected; technically smart; contextually sensitive, is critical for the credibility of a SSD. *'Relationships are key so you can gain insights from a whole range of people across the company not easily available to senior colleagues'* (SDD, Bass Plc). Inter-personal skills are vital and indeed are rated above analytical ones which are seen as hygiene factors. As Sarah Taylor-Martin remarks, *'Those with very, very strong rational intellectual skills sometimes don't have the soft skills and contextual awareness that allows them to do the right things'*. Ken Whitton was a former management consultant and illustrates the conversion process to SSD by saying, *'I went in thinking I would do that role well through my brilliant strategic ideas. I came out realizing how important the inter-personal side was.'*

Communicating across multiple vertical, horizontal and organizational levels with tact and diplomacy is viewed as a critical skill. SSDs have to be able *'to work every angle'*. In these terms as Sarah Miton says, *'SSDs have to be good listeners, translators and influencers'*. They also have *'to filter, evaluate and assess'* (SSD, Bass Plc). In vertical terms this means being able to work at both big picture and pragmatic levels – *'connecting from 10,000 to 10 meters'*. Horizontally it means being able to communicate effectively across different functional silos, as Sarah Taylor-Martin says, *'its about dialogue, getting buy-in – corralling the various interest groups'*. For international operations it's important to be sensitive to national cultural differences; *'with Germans they will respond to a neat email but with Greeks you have to visit them'*. SSDs are also highly significant in outward communication to external stakeholders either as the creator of presentations for the CEO to make or as the prime presenter themselves. *'There is always one more presentation to make'*.

Central to the role of SSD is managing tensions across multiple levels. One that seemed most



common is between head office and the rest of the company. As Ken Whitton says, *‘One of my best achievements was making the firm operate more smoothly than at any other time in its history – there are generally not happy relationships between Head Office and the company. There’s always disagreement um... [Laughs] sorry if I haven’t made that clear... if I at any time suggested that this was a smooth process [Laughs again]! Steering groups were not smooth meetings where some manager would present his five point plan and get them ticked off. It was generally the CEO pulling his hair out - it was always a negotiation process. I am the lubricant!’*

Critical capabilities for SSDs are the ability to persuade, negotiate, influence and collaborate. As one put it *‘You have to work through divisional heads’*. Persuasion has to be upwards, downwards as well as horizontally across the business. *‘There are lots and lots of meetings and informal communications’*. SSDs commented upon using their sifting and judgmental abilities to identify those things which are material and those which are not, so messages can be delivered with clarity. Explaining why they decided to omit the literal translation of the Chinese name of a new line extension from a Board presentation, one SSD said *‘in the interests of moving forward, I didn’t want the CEO getting hung up on a detail’*. They are continuously ‘interpreting’ and ‘translating’ strategic impulses in multiple directions. SSDs also have to be sensitive to the timing of initiatives as at some times divisional heads are not receptive to new ideas. As David Bridges remarks, *‘Timing is key – at this time of year they would sell their own grandmothers to hit targets as it directly affects their bonuses – we don’t communicate now’*.

Overall, we identify three broad sets of capabilities used in practice by SSDs: i) *technical/analytical*; ii) *interaction*; and iii) *meta-level*. i) *Technical/analytical* abilities refer to the knowledge and skills that enable SSDs deal with the day-to-day strategic activities, participate in the daily strategy discourse and utilize strategy tools; they enable managers to analyze strategic

issues. ii) *Interaction* abilities refer to the skills that allow them to communicate with other strategy stakeholders, while iii) *meta-level* skills enable them to utilize their knowledge in novel ways and to provide critical insights during the strategy process. As one SSD notes: *‘I will answer the skills question in two senses. One is the indoor technical skills that are required in the job, you know, in a factory that would be screwing knots and bolts together. The other is kind of softer skills of teamwork, presentation etc.’*

In summary of SSDs’ capabilities, they have to be adept at constructing and managing effective social networks of strategy practitioners. This means building multi-level alignment between different and often conflicting interest groups. One SSD characterizes this as being like: *‘the reins between husky dogs and sledge driver’* where the CEO might be the sledge driver, the line managers the husky dogs and the SSD working to transmit intentions and energy in several directions at once; absorbing and diffusing tensions whilst attempting to maintain directional coherence. More than a Janus paradox, where an executive is confronted with two opposing tensions, the SSD has a ‘Polysepalous problem’ – of managing multiple tensions in space and time, where the biggest skill is to balance different temporal horizons and conflicting initiatives amongst a diverse set of strategic stakeholders. This position can only be managed effectively if the SSD has won respect and trust throughout the business.

### ***Practices – uses of tools and techniques***

Every SSD said that they either use very basic models such as SWOT or don’t really use models or frameworks at all even though many of them are expert in strategy models and techniques. As David Bridges says, *‘We don’t really use models – even though I have written articles on the balanced score card. I hardly use this now – it tends to be the wise man approach to critiquing*

reports'. *'You never sit down and do these things rigorously'*. Sarah Taylor-Martin's comment that *'I can't think of anything specific we might use'* is typical. The general perception of models and techniques is that they are too general and less rigorous than those of finance. Where they do acknowledge strategy models and techniques *'we strip back to the basics' – unpick the general'*. *'You'll be shocked to hear that in a company of this size and complexity, which ought to have the latest in techniques and tools for analysis, we generally rely on the good old SWOT.'*

In terms of formal output, the SSDs create substantial numbers of reports for the Board and CEO – often at short notice. As Sarah Mitson says, *'we weave together presentations from disparate sources to create something the top team can own and present to the main Board'*. This process of producing presentations is *'part of legitimising the role of representing the internal team / point of view'*. In most cases companies were very particular about formats and style. The general rule is that SSDs follow the "house style" to prepare presentations. As Sarah Mitson remarks, *'I would be very uncomfortable presenting something with external branding'*. Creating presentations which can be viewed as 'the company view' has a symbolic role in clearly marking the SSD as an insider, one who may take input from external agents and challenge the status quo, but who remains very much the company man, one of the team.

In terms of shared routines, the main routine for some SSDs is the planning cycle which runs on an annual basis. The beginning of the new planning cycle is characterized by Sarah Taylor-Martin as *'Intense, reflective workshops around various kinds of key drivers and making sure people are thinking about the future. That's quite difficult to be frank because they've only just set budgets and targets'*. After around 3 months, *'initiatives would be thrashed out'* and approximately six months into the cycle these are presented to the board and CEO. Following the board meeting *'strategy is translated into budget and plan process and this then becomes more*

*the world of financial guys*'. The cycle concludes with the meeting of targets and budgets.

Interestingly a number of SSDs prefer to remove themselves from this process and just concentrate on strategic initiatives as and when they occur, leaving the formal budgeting and assessment entirely to the finance function.

The general impression of practices for SSDs is a large number of routine micro-processes such as the format for working up an initiative, the approach to presenting materials to the Board and investors, sitting on committees with processes for decision making on investments. There is also the broader rhythm of the overall strategy cycle spanning one to three years. But at the level of the day-to-day job, it is more remarkable the lack of 'routines' than their presence. In showing us their diaries it was clear that each day and every week are quite different. As Tom Ward says, *'you have to be flexible about timing'*. Strategic episodes can arise at any time in any area and require the application of substantially different skill sets from those used before. Committees on which SSDs sit are often ephemeral, such as an integration team which slowly dissolves as the area being integrated becomes part of normal business. Often SSDs will be instrumental in setting up committees or monitoring groups but then over time remove themselves from the process as they perceive the work to become more routinized. For these reasons the role of SSD is characterized more by variety than sameness on a day to day or week by week basis.

Flexibility is also demanded in working closely with CEOs who are very varied in their personalities and demands. The SSDs' role is to cope with huge variety and scope. They are not concerned with the everyday normality of running a business, or routine and status quo, but change and difference, responding to and anticipating multiple internal and external pressures upon the firm. To embrace difference requires openness and flexibility - to be able to think and act differently, rather than follow routines.

### ***Interaction: Practitioners - Praxis – Practices***

Figure 2 shows a summary of the key elements in the Strategy-as-Practice framework.

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Insert Figure 2 about here  
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All of the three elements in this dynamic framework are interconnected. The multiplicity of practitioners surrounding SSDs connect through social networks. These are key to SSDs operating effectively in organizations as they are sources of critical knowledge and routes through which it is disseminated, customized and constructed. They can only operate effectively if SSDs have won respect, not of their position, but of their ability to perform as a conduit of timely knowledge and as persuaders of opinion. Through their ‘connectedness’ SSDs are valued.

In order for the SSDs social networks to function effectively, a wide range of capabilities are required. SSDs need to be credible as initiators, executors and reflectors of strategy. If one of these areas is perceived to be weak i.e. not being taken seriously as a reflector - as a sounding board for top management for instance, or not being able to execute and manage an initiative, the SSDs’ credibility and effectiveness is seriously impaired. Equally SSDs need to be embedded in their organization coordinating, supporting and collaborating across units in strategic initiatives. Again each of these capabilities needs to be in place in order for the links between strategic actors to function effectively. In short for SSDs to connect up varied sets of strategic stakeholders they must have strong technical /analytical, interactive and meta-level skills.

Linked with the strategy stakeholders in the SSDs world, and SSD capabilities are the practices in which everyone is embedded. Here there is a broad rhythm of activity with periods of more intense strategizing than others, periods of presenting and persuading, periods of executing and

monitoring. However within this broad pattern, the overall micro picture is of huge variety and a multiplicity of initiatives. This links with the substantial variety of strategy stakeholders who can be involved at any one time and the wide skill set necessary for SSDs to operate effectively. The main feature of the practices of SSDs is the non-routine nature of their behaviors as they face unique challenges on a regular basis- *'projects that don't fit anywhere else plus spare capacity – typically things which come only threes'*. Indeed it would seem that SSDs are designed to both challenge the established norms as well as cope with the unexpected and unknown. This is where there are no established patterns or where routines need to be adjusted or changed. One phrase we encountered a number of times was 'bench strength' – the versatile sportsman on the bench ready when needed. In this context the SSD is perceived as 'bench strength' – the highly capable and resourceful individual who can be parachuted in to handle any unforeseen situation. By having SSDs, organizations have depth and versatility in their senior management team.

In summary SSDs are troubleshooters; highly versatile senior executives capable of turning their hand to immediate strategic problems. Through their embeddedness in a rich array of social contacts they keep a finger on the strategic pulse of the organization.

## **REFLECTIONS ON THE ROLE OF THE SSD ACROSS CONTEXTS**

We began this article by suggesting that the rise of many strategists within organizations is a response by parts of business to be more engaged strategically. Recent studies in the US have highlighted the emergence of senior strategy executives and identified some common features but little is known about how they manage intra-firm strategy tensions in practice, the capabilities they deploy and whether their role and activities are the same in other national contexts. The following section compares the US findings with our own study in the UK.

## **Identifying Senior Strategy Executives**

Multiple titles: Both US studies and the data reported here show the wide range of titles which describe senior strategy executives. In common with US studies we also find that SSDs are drawn from a wide variety of professional backgrounds. We concur it is not multiple labels which is the important issue but that they struggle to capture this distinctive role.

Location(s): Prior studies have not considered the location of senior strategy executives in organizational chart terms. In the UK SSDs appear to occupy different locations which reflect the difficulty of locating the particular role they perform. Although all SSDs are primarily anchored to the CEO they may also report, or have reports, at a variety of different levels and in different functions. An explanation is that their primary task is to bridge silos and span gaps in organizations, as and when they arise. This is of critical importance as modern corporations need to be more fluid - flexing more often in order to be agile.

## **Scope of the role**

Centrality of the CEO: In common with the US studies close links with the CEO are critical for SSDs to function effectively. SSDs' needs to be able compliment the specific skills and tendencies of their CEO and add value by being able to explore facts and alternatives around the various strategic choices which face them. In our research the closeness of the link is demonstrated by very frequent one to one meetings, the proximity of their offices and the sensitivity of the materials they discussed.

Responsibilities in the strategy process: In common with US counterparts, SSDs are involved in the whole strategy process from formulation, through strategy refinement to implementation and so straddle the classic formulation / implementation divide in strategy. However there is significant variation in emphasis with US CSOs emphasizing formulation and refinement aspects

with implementation perceived generally as a performance monitoring exercise whereas SSDs in the UK emphasize getting involved in the implementation of projects on the ground.

*Breadth of role:* In the same way that CSOs are involved in a very wide range of issues, so are SSDs, tackling challenges such as international expansion, M&A, communications, BPR. This variety is very notable and tasks can arise at any time. Their range of activities is far broader than most functional oriented executives would have experienced.

*Depth of role:* US research comments upon CSOs linking vertically across levels in the organization from corporate suite to business unit. Although there are differences in emphasis, with some strategies more head office driven and others driven by businesses, they get feedback from businesses, overlay global trends and then prioritize opportunities. This hierarchical portrayal requires Janus like qualities. However our findings indicate a much more complex picture with multiple stakeholders from diverse parts of the business interacting horizontally and vertically, as well as needing to engage with multiple external stakeholders. This has implications for the flows of strategy knowledge and the skill set of SSDs discussed below.

### **Nature of the job**

The current view of US senior strategy executives suggests they tend to be rather remote in planning, telling, challenging and evaluating businesses and their performance. Particularly in the area of implementation, prior research suggests they may not be involved at all or are generally hands-off, just telling and monitoring performance. This is contrary to our research which shows SSDs heavily engage in strategy implementation, integrating recent acquisitions, managing change programs, taking their firms into new markets or launching other new initiatives. The reason given for their engagement in these tasks is lack of other experienced executives being available and it may also be a way to advance their career (discussed later). The



nature of the job for UK SSDs also appears to differ from their US counterparts in being more exploratory, transformative and creative. Earlier work on CSOs suggests they tend to work within and reinforce existing structure. SSDs put much less emphasis upon routine and structure and more upon initiating or managing change. This may reflect differences in power.

### **Getting things done**

Power: Prior research in the US indicates senior strategy executives wield considerable directive power to achieve strategic aims for the firm and also make significant use of reflected power. They have been described as star players in their own right. In this article evidence from the UK suggests a more subtle and nuanced role with SSDs tending to lack such direct power and resources. They rarely attempt to use the power of their position to bring about change and also avoid exercising reflected power as they believe this undermines their personal credibility. The SSD in our research is not ‘powerful’ in the classical sense of position of hierarchy and control. Our SSD works with and through those with power, supporting and influencing through knowledge and connections. In the words of one SSD, the role is ‘*a paradox of serving and challenging*’ - of working ‘for’ and working ‘with’ executives. The SSD’s ‘weak’ off-line position, out of the main social / political hierarchy, is used to advantage to enable objectivity, to challenge and probe more than would be prudent for those aiming for the very top of the organization. To do this successfully SSDs need to be highly impressive and skilful individuals at managing multiple political and social tensions.

Capabilities: So far US studies say little about the skills deployed by senior strategy executives. In our research SSDs generally have to rely on a considerable array of influencing skills (political, negotiative, technical) to achieve their ends. To win credibility they have to build respect through their own unique contribution, namely being the conduit of timely information,

having access to significant strategy stakeholders (internal and external), possessing superior analytical skills and being able to communicate and persuade effectively. Their ability to give voice to interest groups and to translate messages is critical for strategy transmission throughout the organization and a key way in which SSDs add value. Overall, SSDs need a ‘Polysepalous’ propensity to translate and communicate across multiple competing strategy stakeholders.

### **Career trajectory**

In the US studies, CSOs are depicted as CEOs in waiting. They are already stars and are bedding into the organization in preparation for the top job. This is rarely the case in the UK, where SSDs may remain at the level of professional strategy executives (either in their current company or move to a similar post elsewhere) *‘as the intellectual satisfaction of the role is high and the function is incredibly fulfilling’* (Sarah Taylor-Martin). Alternatively, if they want to become CEOs, they may use this position in order to create a line manager job which they can then fill. As the SSD at E.ON Plc remarked, *‘my predecessor parachuted out by becoming Managing Director of our last acquisition’*. The pull of the line manager role may be an explanation for focusing heavily upon the nuts and bolts of implementation rather than taking a more hands off, monitoring role which seems more characteristic of CSOs in the US.

### **Summary**

Our research on UK SSDs resonates with earlier studies on CSOs in the US. There is agreement on the difficulty of capturing the nature of this important executive in terms of titles and locations, but evidence suggests this is more a problem of capturing what they do rather than lack of coherence in the role. The job encompasses a substantial range of tasks which require exceptional breadth of experience and skills, not commonly available in organizations. All senior strategy directors are closely linked with the CEO and play an important role in linking from the

corporate centre to business units. They are involved through the entire strategy process and all agree one of the most difficult activities is balancing short and long term concerns.

Where the UK evidence departs from US findings is i) the degree to which they are embedded in the business ii) level of involvement in implementation iii) how they wield power iv) career trajectory. These findings show SSDs as more embedded amongst the strains and tensions of firms seeking to be strategically agile. They identify disconnects and rifts and act directly to bridge them through a brokering and translating set of skills. In social network terms, SSDs might be perceived as structural ties binding networks in dynamics ways – coping with differences in languages, mental models across organizations. Key for SSDs is a ‘weak’ position, out of the main social / political hierarchy, which enables objectivity, to challenge and probe more than would be prudent for those aiming for the very top of the organization. To do this successfully SSDs need to be highly impressive and skilful individuals at managing multiple political and social tensions through persuasion rather than direct or reflected power. The potential advantages of the UK approach to the SSD role are i) better connectedness along the strategy process from formulation to implementation, as less is likely to be lost in cross party communication and SSDs are incentivized by having greater vested interest in initiatives working out, ii) more readily assessable contribution to the firm as they stand or fall on whether they are perceived by line managers as credible and adding value through their own skills and connectedness rather than upon the power of their position, iii) deeper reach and connectedness within the firm which may make them more sensitive to internal innovation and variation. Their lack of power arguably makes them more open to engagement across all levels of the firm.

Whilst SSDs are highly valued by their CEOs as ‘bench strength’ for the firm, enabling rapid response to business needs, what of firms which do not have SSDs? We argue these executives

are critical when firms need to restructure and become more agile. Without SSDs firms need to rely on already stretched senior functional executives. The consequences are initiatives not receiving the priority they deserve. Functional level executives are also unlikely to possess the breadth of experience of SSDs and so may be confronting major challenges for the first time. Their social networks are likely to be less extensive which may impair their ability to bring about change and their functional backgrounds may inhibit their ability to fully conceptualize strategic issues. In other words strategic initiatives may not occur or be handled as effectively when SSDs are absent and this may have negative performance implications for the firm.

The stresses of this highly varied and demanding job require many paradoxical qualities. They must be analytical and creative; engaged and distant; a leader and a servant. Above all they need skill and judgment in determining the correct balance in different circumstances. The practical implications for SSDs, and those who work with them are summarized in Table 1.

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Insert Table 1 about here  
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The key quality in a successful SSD is the ability to find and achieve coherence and strategic alignment in a sea of tensions. The implications for those executives aspiring to become an SSD are that they need more than just technical expertise if they are to succeed in this difficult and demanding position. Intellectual ability is only part of the role as SSDs need to be credible to a wide range of stakeholders including Board Room, line managers and external stakeholders. In selecting executives for the role of the SSD then it is critical that they should 1) be able to work with and complement particular CEOs; 2) have the intellectual ability to be able to see around and analyse problems; 3) be able to present analysis persuasively to a wide variety of audiences; 4) be able to win credibility and trust with senior business executives such as divisional and

functional heads. The importance of social/political skills as well as technical competence has implications for recruiters of SSDs as well as those who purport to create them, namely business schools. Recruiters should be mindful that pure analytical skills or industry knowledge alone, no matter how impressive, are unlikely to be sufficient capabilities for a SSD to be really effective, and business schools need to go beyond teaching just the analytics. Influencing capabilities are vital for executives to succeed as SSDs and strategy courses need to evolve to ensure that candidates are produced who are 'wise' enough for the role.

## **Appendix**

### **About the research**

In order to achieve depth of insight into the activities in which SSDs engage we employed qualitative research techniques. Our data consists of 30 interviews with SSDs drawn from the largest 100 companies in England (otherwise known as FTSE-100<sup>15</sup>). The firms selected were across a number of industrial sectors. The interviews were conducted at two points in time (2001/2 and 2006/7). In-depth longitudinal research was also carried out in two of these firms (a utility and a telecoms firm) for the period 1997-2004. In these two firms data was collected from 67 interviews as well as secondary archival data (company reports, strategy documents and presentations). Overall, we conducted 97 interviews over time.

The interviews with SSDs were semi structured with about 17 questions, were conducted face to face (with one exception) and lasted on average one and a half hours. All interviews were recorded and transcribed. The themes which emerged from the data provided an initial template for the subsequent in-depth longitudinal studies. Findings from the 2001/02 interviews and the two in-depth cases were then compared against the newer set of interviews with SSDs in FTSE 100 companies gathered in 2006/7 in order to assess the robustness of findings and to identify any areas where the passage of time may have affected such roles. This design has also enabled comparisons to be made over time on each of the key research questions of 1) the nature of their work (including formal roles, actual day to day activities, routines and procedures, tools and techniques used, views on how they make strategy ‘happen’), and 2) the social influences upon their roles and the strategy process (including who major influences are inside and outside the organization, how these influences come to bear on the process, how credibility is established and maintained). The data was analyzed using inductive qualitative techniques<sup>16</sup>. Accordingly,

the analysis consisted of multiple readings of the interview transcripts, and the archival data, and the identification of the activities of SSDs during the strategy process. The result of this analysis was a rich set of set of recurring themes corresponding to the activities undertaken by SSDs during the strategy process<sup>17</sup>. These themes were filtered according to the three lenses of praxis, practitioners and practices from the strategy-as-practice approach. Data triangulation and validation by participants were utilized to limit the possibility of researcher bias.

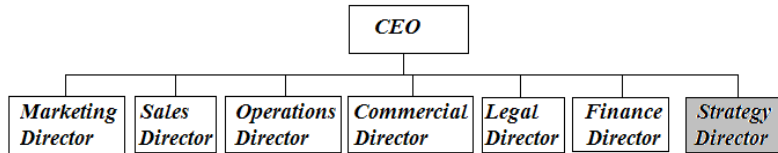
1. D. Nadler, *Champions of Change* (San Francisco, CA: Jossey-Bass, 1998).
2. Y. Doz and M. Kosonen, "The Dynamics of Strategic Agility: Nokia's Rollercoaster Experience," *Californian Management Review*, 50/3 (2008): 95-118.
3. T.R.S. Breene, P.F. Funes and W.E. Shill, "The Chief Strategy Officer," *Harvard Business Review*, 85/10 (2007): 84-93.
4. The work of Hambrick, Mason and Finkelstein has pioneered the establishment of the 'Upper Echelons' perspective. The perspective argues that the strategic choices and performance of an organization are directly related to the psychological (i.e. cognitive base and values) and observable (i.e. age, education, functional tracks) characteristics of its top management team. More details can be found in: D.C. Hambrick and P.A. Mason, "Upper Echelons: The Organization as a Reflection of its Top Managers," *Academy of Management Review*, 9 (1984): 193–206. S. Finkelstein and D.C. Hambrick, "Top Management Team Tenure and Organizational Outcomes: The Moderating Role of Managerial Discretion," *Administrative Science Quarterly*, 35 (1990): 484–503.
5. Breene, et al. (2007), op. cit. 3.
6. R. Dye "How Chief Strategy Officers Think about their Role," *The McKinsey Quarterly*, (2008 May Issue): 1-8.
7. This over-reliance of US samples has also been identified in 'upper echelons' research, see: D.C. Hambrick, "Upper Echelons Theory: An update," *Academy of Management Review*, 32/2 (2007): 334-343.
8. For example, a recent upper echelons study demonstrates that the effect of CEOs on firm performance is substantially greater in U.S. firms than in German and Japanese firms. For

- more details, see: C. Crossland and D.C. Hambrick, "How National Systems Differ in their Constraints on Corporate Executives: A Study of CEO Effects in Three Countries," *Strategic Management Journal*, 28 (2007): 767-89.
9. For a good set of theoretical and empirical practice-based papers, see the special issues in the *Journal of Management Studies* (2003, 40/1) and the *Human Relations* journal (2007, 60/1). The papers by the special issue editors in each of these journals provide a good introduction to the practice approach: G. Johnson, L. Melin and R. Whittington, "Micro Strategy and Strategizing: Towards an Activity-based View?" *Journal of Management Studies*, 40/1 (2003): 3-22, and P. Jarzabkowski, J. Balogun and D. Seidl "Strategizing: The Challenges of a Practice Perspective," *Human Relations*, 60/1 (2007): 5-27. The first book on the strategy-as-practice approach is: P. Jarzabkowski *Strategy as Practice: An Activity-Based View* (London: Sage, 2005).
  10. For an in-depth analysis of the practitioners, praxis and practices framework, see: R. Whittington, "Completing the Practice Turn in Strategy Research," *Organization Studies*, 27/5 (2006): 613-634.
  11. Three of the activities mentioned do have specialists such as those who focus upon M&A alone, or compliance, but these cannot be deemed strategy directors.
  12. Some quotations are not attributed to protect the identity of particular interviewees.
  13. Jiminy Cricket is a character in a Disney movie and depicts the conscience of the main character Pinocchio.
  14. Breene, et al. (2007), op. cit. 3. Dye, et al. (2008), op. cit. 6. Related is also the work by: R.S. Kaplan and D.P. Norton "The Office of Strategy Management," *Harvard Business Review*, 83/10 (2005): 72-80.
  15. FTSE stands for Financial Times Stock Exchange.
  16. We used qualitative techniques based on: A. Strauss and J. Corbin, *Basics of Qualitative Research: Grounded Theory, Procedures, and Techniques* (Newbury Park, CA: Sage, 1990).
  17. This approach was also utilized by: W. Orlikowski, "Knowing in Practice: Enacting a Collective Capability in Distributive Organizing," *Organization Science*, 13/3 (2002): 249-273. This is an in-depth study of the everyday activities of organizational members distributed across multiple units in a large software company.

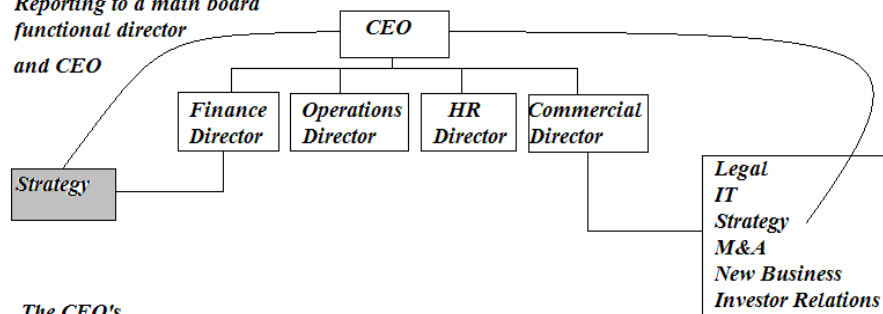


**Figure 1: The Location of SSDs in Large Firms**

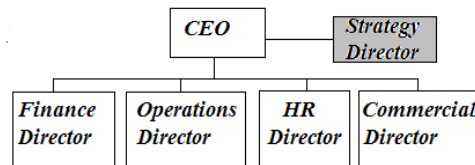
*Main executive board  
with functional reports*



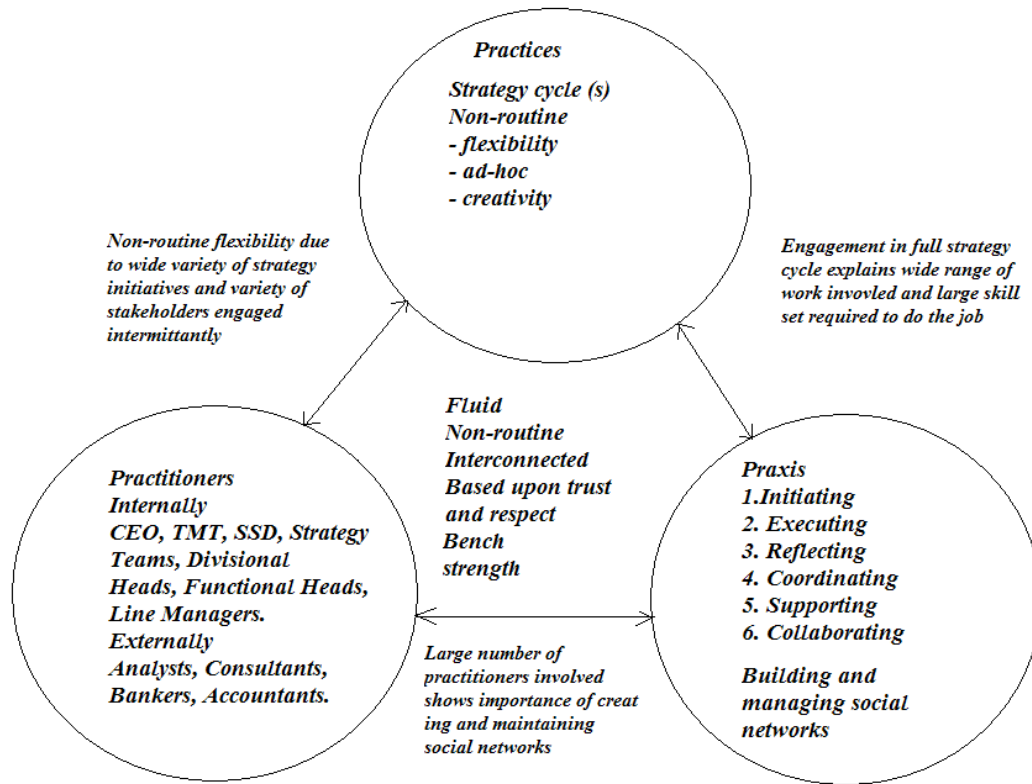
*Reporting to a main board  
functional director  
and CEO*



*The CEO's  
personal adviser*



**Figure 2: The Practitioners, Praxis and Practices Framework**  
(Adapted from Whittington, 2006).



**Table 1: The Key Practical Implications from our Study of SSDs**

<b>Implications for:</b>	<b>Key Insights:</b>
Executives	<ul style="list-style-type: none"> <li>• Realize that SSDs either already exert power by acting behind the scenes or have to perform to win political credibility in the strategizing arena.</li> <li>• Appreciate that the SSD role requires a polysepalous propensity: balancing short and long term goals as well as interacting with multiple strategy stakeholders.</li> <li>• Understand that a key quality of SSDs is combining technical with interaction/political skills.</li> <li>• Appreciate that the role entails on-going effort to achieve coherence and strategic alignment in a sea of tensions.</li> </ul>
Consultants	<ul style="list-style-type: none"> <li>• Understanding the role of the SSDs in current or potential client firms.</li> <li>• Realize the kinds of influence SSDs can have during a consulting intervention.</li> </ul>
Recruiting firms/consultants	<ul style="list-style-type: none"> <li>• Recognise when an SSD may be a useful appointment for a firm.</li> <li>• Appreciate the diversity of skills required for the role of SSD – particularly social / political influencing ability.</li> <li>• Develop ways of attracting executives with the right skill-set to become the next generation of SSDs.</li> </ul>
Management educators/ Business schools	<ul style="list-style-type: none"> <li>• Developing new strategy courses informed by and with practitioners to support the profession.</li> <li>• Focusing on curriculum and means of delivery that develop political and softer strategizing skills.</li> <li>• Co-produce with SSDs research articles to further illuminate the practice of strategy.</li> </ul>