

STRATEGIC DECISION-MAKING FOR TROUBLED TIMES

Hotsheets

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"If you don't know where you are going, you'll end up someplace else." – Yogi Berra

What's the best way forward for your publication in these troubled times? You'll need to make strategic decisions about the issues you're facing and the opportunities ahead.

There are many different approaches, but the most effective method I've used is adapted from the management book [Strategic Analysis and Action](#) by [Mary Crossan](#), Professor of Strategic Leadership at the Ivey Business School, Western University.

Using a combination of research, analysis, brainstorming and number-crunching, you and your team can apply this fact-based approach to create—and execute—a successful plan for the future.

Here's an overview of the process, one that I've modified and condensed to use with my magazine clients.

STEP ONE: DEFINE YOUR CURRENT STRATEGY

A review of your current strategy will help establish a common reference point as you work through the planning process. You'll use this information to identify issues and opportunities, and as a benchmark for assessing any new strategic options. Some questions for discussion:

WHO ARE WE?

- Begin by articulating your publication's mission or mandate.
- What are your business goals—growth, profitability, fulfilling your non-profit mission?
- Define your unique value: What need does your publication fulfill? What sets it apart in your area or market?
- List all of the products that you offer (print, digital, events, merchandise, etc.) and identify the market or audience for each.
- Make note of all the key in-house activities to better understand your current capabilities.

WHERE ARE WE NOW?

- Pull together information about your financial and organizational health. Evaluating these vital signs will give you a realistic picture of your current performance and how it's trending over time.
- Analyze your financial statements (with a focus on revenue sources and net income by product) to understand how they've varied over the past few years.
- Look at other key metrics (such as audience size and demographics, subscriptions, website traffic, e-news opt-ins, advertising pages, donors, etc.) and analyze trends over the same period.
- Looking ahead, what's your realistic financial forecast for the current year end?
- Assess your organizational health. Are there challenges you're facing with leadership, board dynamics, staffing, or your underlying work culture?

WHAT'S HAPPENING OUT THERE?

- Analyze and discuss the current business environment and make note of how it affects your organization, as well as the industry as a whole, now and potentially over the next few years. Can you identify emerging opportunities and threats? There are a number of techniques to help you assess the big picture, including [PEST](#) analysis.

STEP TWO: ESTABLISH A BASELINE

WHAT WOULD HAPPEN IF WE DIDN'T CHANGE?

- To answer this important question, you'll need to create a base case that will serve as the ultimate performance benchmark.
- Start by using your current year financial forecast as the foundation for building out a new set of financials for next year.
- It's useful to project out over the next two or three years, depending on your circumstances.
- Make adjustments based on the earlier analysis of your current situation. For example, if your circulation numbers have been declining year-over-year by an ever-increasing amount, apply the percentage decreases to the numbers in your base case scenario.
- The end result is your best guess as to what will happen if you continue on your current strategic path.

STEP THREE: DECIDE ON THE NEED FOR CHANGE

Based on all the work that you've done so far, decide if you need to change direction and how quickly to act. If the publication is in crisis, you'll have to make major changes right away. If performance is gradually slipping and your forecast shows more trouble ahead, you may have time to react to the changing environment and to implement a new strategy.

STEP FOUR: GENERATE AND EVALUATE IDEAS

According to Mary Crossan, strategy is developed from three key elements: your management preferences (what you *want* to do); your needs (what you *have* to do, based on your environment); your capabilities (what you *can* do, based on your organizational structure, resources and capacity).

In this step, generate new strategic ideas and assess them against these three elements. Start brainstorming by using the analysis of your current strategy, especially your organizational capabilities (strengths) and assessment of the business environment. Make a list of challenges and opportunities. What issues take priority given your timeline for change?

Evaluate your best ideas in light of the business environment, the resources and capabilities needed, your business goals and your mission or mandate. Make note of any gaps that you identify and what you'd need to do to address these. How feasible is the idea? What's the degree of risk? Will you be able to implement the strategy and see an impact in the timeframe you've identified?

Finally, make a shortlist of your options. Put together a forecast showing the estimated financial performance for each one. If there are areas of uncertainty, you may want to show a best case/worst case/most likely scenario. Compare outcomes to your base case scenario to understand the incremental impact of the strategy.

STEP FIVE: MAKE AN ACTION PLAN

Once you've decided on your best strategy, the next step is to develop an action plan, operating budget and the metrics to measure outcomes. The action plan will include the people, resources and capabilities required to execute your strategy. Think about what you'll need to accomplish first in order to prioritize your actions. There are many project management planning tools to help you, including [Gantt chart](#) software.

STEP SIX: EXECUTE

Mobilize your team and work your plan!

STEP SEVEN: MONITOR AND ADJUST

Things won't always go as expected, and you'll need flexibility to adjust your actions based on changing conditions. Monitor your performance metrics and income statements to see how you're doing. Are the outcomes what you had planned? Are revenue and expenses on track? Take corrective action as needed.

STEP EIGHT: REVISE AND REPEAT

The process of making strategic decisions is part of an ongoing cycle that includes your annual business plan and budget, as well as your financial statements and forecasts. Once you get started with this planning process, you'll feel more control over your big picture direction as well as your day-to-day operations. Most importantly, you'll be able to bring your best thinking and concerted actions to address the challenges and opportunities ahead.

Sources:

Crossan, Mary, et al. *Strategic Analysis and Action*. 9th ed., Pearson Canada, 2015.

