



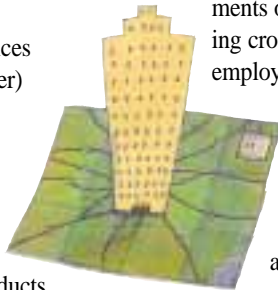
# Albu on Strategy

Fall 2005

## Strategic Planning — Your Road Map to Success

Mike Freedman, author of *The Art and Discipline of Strategic Leadership*, defined strategy as the determinant of “the nature and direction of your organization. It is the framework for making business decisions.” Strategy defines what I like to call “the rules of engagement,” rules you and your managers use to select:

- which products and services you will offer (or not offer)
- what markets you will serve (or not serve)
- what capabilities you have (or do not have), or need (or do not need) to take your selected products and services to the selected markets.



A consumer products client was determined to double sales over the next five years — a lofty and aggressive goal, but one that lacked substance...and required a plan. The client’s managers had difficulty embracing the objectives because they lacked clear direction as to where this newfound growth would come from. However, after an intense and disciplined strategic discussion, senior management

mapped out a detailed plan describing specific strategic initiatives required to achieve both top line and bottom line goals. They understood the risks and rewards associated with each step toward achieving those goals, and allocated resources on the most promising growth opportunities. The strategic plan forced departments out of their protected “silos,” encouraging cross-functional cooperation among all employees. Everyone knew what needed to be done and by when, and they knew what was important. As a result they became more productive and proactive; and they were recognized and rewarded for their contributions toward achieving the company’s goals.

So, strategy defines where you want to go and how you will get there. It is the “road map” to achieving your goals. It aligns your managers and employees to common goals and it is the management tool used to communicate, measure and track progress.

Now more than ever, a well-defined strategy backed by a detailed action plan that the organization understands and supports should be driving your business, your decisions, and your future.

## Profit From What You “C”

By James H. Riehl, Jr., Senior Consultant, Albu Consulting, Inc.

Have you ever heard of the “Four P’s of Marketing?” Sure you have — Product, Price, Promotion, and Place.

What about the “Five C’s of Profitable Growth?” Although not at the forefront of business buzzwords, the Five C’s are a sure-fire formula for creating profitable growth in any business, including yours.

The Five C’s are **Corporation**, **Competition**, **Customers**, **Channels**, and **Constituents**. Applied within the context of your business, disciplined and detailed



analysis of the Five C’s will validate your business’s competitive advantage and leverage it in the marketplace to create profitable growth.

Here is a little more detail on what each “C” involves:

- **Corporation** — Look at your business, its products, pricing, core competencies, source of competitive advantage, and culture. What can you change, and what needs to remain the same?

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Dear Friends,

Last spring Albu Consulting celebrated its 10th Anniversary. With this issue we mark another landmark: the addition of Jim Riehl as a new member of our firm.

Jim is a senior executive who has extensive experience in leveraging competitive advantages to maximize profitability. His corporate and consulting career has spanned over fifty brands in twenty product categories covering the consumer products, financial services, business-to-business, educational, and non-profit sectors. For this issue of our newsletter, Jim contributed the article *Profit From What You “C”*. Thank you, Jim, and welcome aboard.

As I’ve often said, strategic thinking is the key to profitable growth. In our lead story, I discuss how the strategic plan serves as a road map to success by spelling out the steps you must take to achieve your goal. It helps you define what products, services and markets to target and what capabilities you will need. Equally important, it will help win buy-in and ongoing support from your managers and employees.

An excellent book on exactly this subject is also reviewed in this issue. *MarketBusters* focuses on core strategies that help you identify and evaluate opportunities for growth. It underscores the importance of strategic planning as a continuous process, critical in an era of changing markets and competitive challenges.

As always, I look forward to hearing from you. Your contributions, comments and challenges are most welcome.

Sincerely,

Dick Albu, President





## BOOK REVIEW

### MARKETBUSTERS: 40 Strategic Moves That Drive Exceptional Business Growth

By Rita Gunther McGrath and Ian C. MacMillan

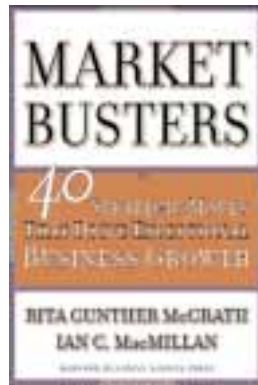
*MarketBusters* reinforces the importance of strategic planning as a process of continual improvement, both from an infrastructure and products- or service-offerings perspective.

Every business faces the fundamental challenge of finding new ways to improve and new sources of growth. Tom Peters once said, "You cannot shrink your company to greatness." So, according to McGrath and MacMillan, the questions that need to be asked are: "Where will my company find new opportunities for growth?" and "How will I exploit changing markets and shifting competitive conditions?"

The authors base their observations and conclusions on an extensive three-year research study of successful companies. *MarketBusters* outlines 40 potential "moves" that companies can make to identify and seize opportunities.

The *MarketBusters* "moves" are clustered around five core strategies:

1. Focus on your **customers** and transform their purchasing experiences.
2. Modify the attributes of your **products and offerings**.
3. Reconsider your **key metrics** and redefine your profit drivers.
4. Examine **industry shifts** and exploit them.
5. Look for **emerging opportunities** and enter new markets.



*MarketBusters* won't tell you exactly what to do, and it generally is not about dramatic change or overwhelming accomplishments. It is more about making changes that help you to become a better competitor and to be more effective both for your customers and in your own financial success. It will provide you a great deal of food for thought in evaluating and choosing growth opportunities.

“ It is fundamentally the confusion between effectiveness and efficiency that stands between doing the right things and doing things right. There is surely nothing quite so useless as doing with great efficiency what should not be done at all. ”

By Peter F. Drucker

*Profit From What You "C" ... continued from page 1*

- **Competition** — Who are your competitors? For each, identify positioning, strengths, vulnerabilities, and opportunities. Where and how might you gain competitive advantage?
- **Customers** — For each of your customers, how do you ease the pain and what can you do better? What are you doing to create "customer delight"?
- **Channels** — What are the available channels of distribution? Do you have

them all covered? Can you exploit one or more channels better than the competition?

- **Constituents** — Who are the stakeholders and what are their individual requirements? Look at the board of directors, shareholders, senior management, employees, and others as appropriate.

Try this approach yourself. It has served as an excellent technique in our strategic planning tool kit, and we are confident that you will profit from what you "C"!

## Albuinfo

*Albu Consulting* is a business development and strategy consulting firm focused on helping companies ignite passions toward creating profitable growth. The firm specializes in optimizing business strategy and improving management effectiveness, thereby focusing resources to increase revenues and profits.

Founded in 1994, *Albu Consulting* is well known for its collaborative approach to facilitating engagements, and has a successful track record of exceeding its clients' expectations. The firm's strength is its current and extensive knowledge of a range of products and markets, and expertise in dealing with strategic and operational issues.

A satisfied client had this to say about *Albu Consulting*:

"Albu Consulting was selected by the Connecticut Agriculture Cluster Committee to help develop a strategic plan for economic development. All of the business leaders on the committee (nursery, greenhouse, poultry, winery, fisheries, dairy, orchards, and mushrooms) were very pleased with Albu Consulting's skills in pulling together the diverse needs of the industry into one comprehensive document that made sense and made a strong case for change. I was personally impressed with Albu Consulting, and would highly recommend them to other progressive companies that want to pull ahead of the pack and pursue real gains in profitability and market share."

**Robert V. Heffernan,**  
*Executive Director,*  
*Connecticut Green Industries*

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