

# 4 Ways to Rethink Your Strategy

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Not all executives understand what strategy is and how to approach it.

Unpredictable change and disruption are constants in business today. As leaders, we must relentlessly rethink our understanding of where markets are headed, how to adjust on the fly, keep and acquire customers, build the right teams, and make rapid decisions.

The right path remains forever foggy in a world of ambiguity and contradiction. C-suite leaders worry constantly (or at least should) about where new growth will come from and what it will take—this time—to achieve it.

What worked yesterday likely won't work tomorrow. That's especially true in a hypergrowth consumer packaged goods company such as Liquid I.V. where everything from internal processes to consumer tastes are constantly in flux.

When you pioneer a category, grow nearly 400%, and evolve from "hunter" to "hunted" in three years, as we have, getting strategy right is something that both keeps you up at night and energizes the start to each day.

## WHAT IS STRATEGY?

Probably the single biggest strategy slipup is not understanding what "strategy" truly is.

Richard Rumelt, among the world's most influential thinkers on strategy and management, nailed it. In his book *Good Strategy/Bad Strategy*, he laments the unfortunate tendency for corporate leaders to equate fluffy packages of buzzwords, motivational slogans, and financial goals with "strategy." Rumelt, a professor emeritus of strategy at UCLA Anderson School of Management, assures us they are not.

Strategy isn't a simple wish list of lofty goals. So, what is it? "A good strategy is a specific and coherent response to—and approach to overcoming—the obstacles to progress," Rumelt says.

Sounds simple enough. But companies struggle to get strategy right, sometimes to disastrous ends. For example, few people know that Kodak was first to invent the digital camera. But in an apparent strategy to protect its thriving film business, Kodak decided not to launch it until some 15 years later. Too late.

## SOLUTIONS FOR STRATEGY SUCCESS

Consulting firm EY Parthenon suggests a good place to start a strategy rethink is by redefining your company's purpose. Our purpose at Liquid I.V. is "To elevate the vitality of people and the planet." Knowing this helps us set strategic directives that align with constantly shifting consumer and market dynamics.

We consistently spend time developing and honing strategy. Yet 85% of executive leadership teams spend less than an hour per month on strategy, according to research by Robert S. Kaplan, a professor of leadership development emeritus at Harvard Business School, and David P. Norton, founder and director of the Palladium Group.

Here are four other strategic practices that have helped Liquid I.V. become a hypergrowth brand. We're constantly modifying them to stay ahead of changes in the marketplace and ever-increasing competitive pressures.

**Embrace "business unusual":** As a scrappy, fiercely competitive company committed to winning and giving back, we tend to zig where others zag. We call it pursuing "business unusual." We strive to be distinctive because these days you have to be distinctive to be an industry leader. Setting a goal to consider at least one new option each time strategic decisions are made will help.

**Build in-house capabilities:** Achieving and maintaining rapid growth sometimes calls for unconventional organizational design. For example, to achieve maximum flexibility, we decided to build in-house capabilities for several functions that others often outsource, including creative design, influencer relations and partnership development. Launching new product innovations would take months longer if we relied on outside agencies for everything.

**Innovate your way out of limited budgets:** With limited budgets early on, we leveraged influencer marketing—still a nascent channel at the time—as part of our strategy to establish credibility and stretch each dollar. This continues to be one of our most profitable marketing efforts. We now have a large North American network of individuals who advocate for us and create organic engagement with consumers.

Make “impact” a strategic pillar: As a core component of strategy, we’ve made our impact initiatives a brand differentiator. Our programs are based on a deep understanding of our own values and our consumers’ values. Over 1% of company revenue—resulting in millions of dollars to date—funds impact programs to help ensure access to clean, abundant water for people worldwide.

There’s never been a greater need for companies to adapt and evolve. Rethinking your approach to strategy may be your best move.