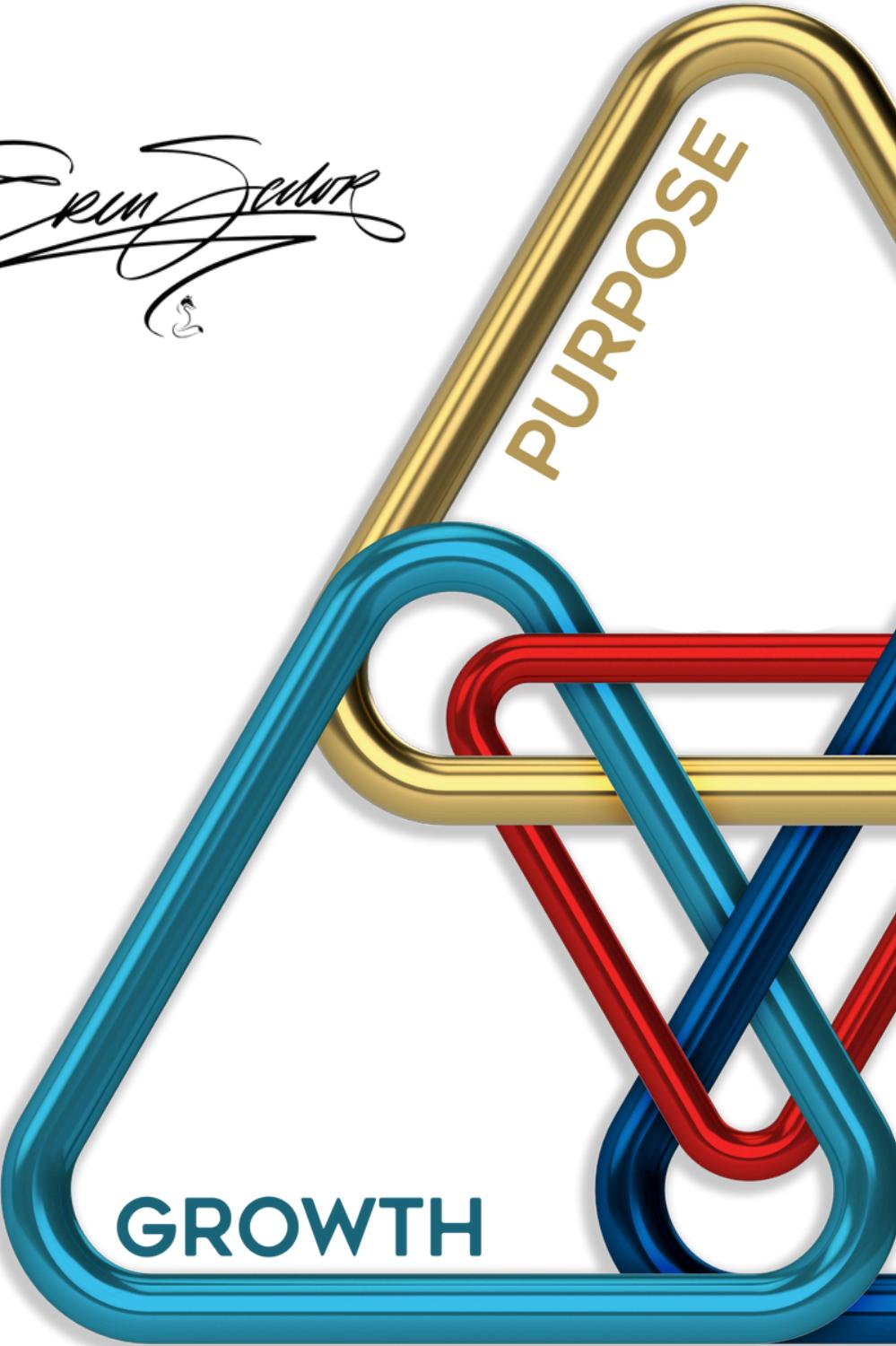


Essential Strategy

Quick Reference Guide



Erin Jordan



PURPOSE

GROWTH



The Truth of Organizational Success

There are three things at the heart of organizational success, and it doesn't matter what the entity does, whether it is for-profit or non-profit, or even how large or small it is. As simple and seemingly intuitive as these three truths are, this is where we must start if we are to get to the root of traditional planning failure.

Organizations must thrive within before they can deliver products and services to those they serve in a sustainable way. These things hold true for all entities.

When **purpose** is meaningless or unclear, drift and disconnect prevail. Where **growth** is haphazard and without intention, stagnation creeps in. When **evolution** is an afterthought, irrelevance marks the beginning of the end.

Many other things come into play to support an organization as an ongoing concern, ***but at the most fundamental level, clarity around Purpose, Growth, and Evolution must exist if it is to succeed.*** Strategy comes undone when the strategic plan fails to speak directly to all three of these elements.

Many methods, tools, and frameworks have been built to support the development and execution of strategy, however, ***the basic formula for building strategy remains unchanged.***

Success is predominantly defined by measuring financial achievement with strategy focused on those externally focused outcomes, often failing to define internal measures of success tied to adaptive learning, agility, resilience, and capacity growth. This lopsided view has persisted despite growing science that shows healthy organizations don't just happen - they require intentionality.

Successful entities have Purpose, they Grow, and they Evolve both inside and out

Organizations are not machines

They are living complex adaptive systems that behave according to the laws of nature. If we refuse to evolve the way we organize, lead, and enrich them, they simply will not survive to fulfill their purpose.



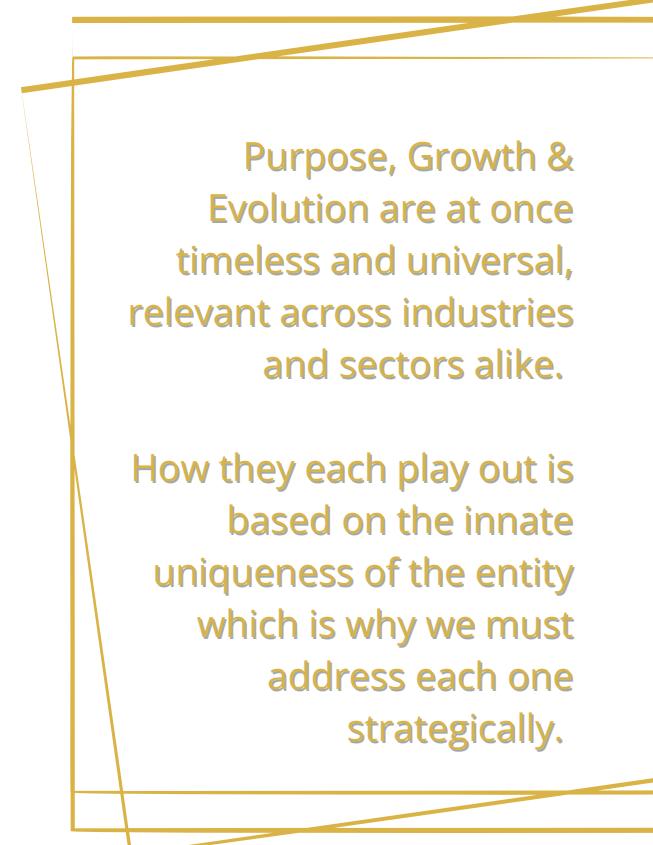
The Missing Link

A Purpose, Growth & Evolution in Equilibrium Lens

The fundamental flaw in traditional strategic planning is the lack of context that connects strategy to the most critical elements of organizational success - those things fundamental to its purpose, growth, and evolution. When internal thriving is a strategic priority, it accelerates and expands an entity's ability to achieve traditional targets for external growth and impact.

Framing strategy through a PGEE lens provides critical context for building a meaningful plan that allows the organization to thrive so that it can deliver on even the most ambitious strategy.

- **Purpose** must address internal common cause (thriving, connection, individual purpose) as well as external contribution (meeting the needs and wants of those it serves.)
- **Growth** is about building internal capacity and muscle for adaptive learning and creative problem solving as much as it is about growing market share, territory, and impact.
- **Evolution** means we change to support the organization and the people within as much as we change in response to industry, technology, and consumer evolution.
- **Equilibrium** challenges us to see the larger ecosystem we operate in, constantly adjusting and balancing needs based on what's best for the organization.



Purpose, Growth & Evolution are at once timeless and universal, relevant across industries and sectors alike.

How they each play out is based on the innate uniqueness of the entity which is why we must address each one strategically.

These four elements work together to create a more holistic foundation for building strategy. PGEE provides context for initiating deep conversation, expanding perspective, and honing strategic thinking discipline that matches the maturity and complexity of the organization. These four seemingly simple elements are multifaceted, and lead to surprising depth when we work through them.

Four Rules guide PGEE framing - we use them to ask crucial questions and reveal answers that create the necessary context around what is required for success. These define **Strategic Imperatives** that are intricately tied to Vision and are the anchors for the balance of the plan.

PGEE reflects the quantum reality we live in (everything is energy, everything is connected) and the dynamic nature of the organization as a living system (as opposed to the predictable, mechanical thing it has long been treated as.)



Four Rules of Essential Strategy

1

Purpose is internally compelling and externally valuable in its contribution.

2

Growth is intentional, matched by adaptive learning and expansion of capabilities to sustain both speed and scale.

3

Evolution actively anticipates the changing needs and wants of all those who serve and who are served by the organization.

4

Purpose, Growth, and Evolution are interconnected and exist in a state of dynamic **Equilibrium**.

Rules 1-3, Purpose, Growth, and Evolution, create necessary grounding points, each containing deep internal and external perspectives necessary to evolve from a linear cause & effect mindset to a dynamic adaptive one.

The Equilibrium Rule weaves through the other three in a fluid way, acting as the catalyst for prioritizing strategic decisions.



Risk Appetite

A Critical Strategy Discussion

Risk appetite is a particularly vexing issue from both enterprise risk and strategy perspectives. Unlike Risk Tolerance (the day-to-day tactical thresholds for operational risk), Risk Appetite is meant to capture the level of risk an organization is willing to take on to achieve its strategic objectives. While recognized as a critical element of strategy, there is little help to be found for HOW to move through the discussion and define Risk Appetite in a meaningful way - until now.

Four Questions Define Risk Appetite

How much do we invest before the cost is too great?

This is a Purpose focus question and is discussed specifically as it relates to strategic imperatives for delivering on vision and mission. When answering this question, we consider the impact to Resources (internal) and Reputation (external) with metrics based on Spend such as capital and operational outlays.

How fast can we get there without sacrificing existing value?

This is a Growth question applied to both internal and externally focused Strategic Imperatives. When answering this question, we focus on impact to Core Competencies & Capabilities (internal) and Market (external), with measures based on Performance such as G&A percentage, budget and client satisfaction ratings.

To what extent are we willing to change?

This is an Evolution question applied to strategic imperatives meant to keep pace with the wants and needs of those the organization serves. When answering this question, we focus on the impact to Culture (internal) and Industry (external), and we measure based on the organization's Position in each of these spectrums, such as employee feedback and industry position.

What threats have the potential to disrupt Equilibrium?

Organizational health and resilience require a balanced approach to purpose, growth, and evolution, thus maintaining a dynamic and flexible equilibrium is critical to strategic success. When answering this question, we cross-walk the strategy-risk discussion, focusing not just on how operational risks impact strategy, but also how strategic risks impact each other and the organization.





People intuitively understand the need for Purpose, Growth, and Evolution in their own lives.

Organizations are dynamic, living, people systems that also need Purpose, Growth & Evolution.

Connecting these things to strategy is where we find sustainable business success.



Erin Sedor



Hi, I'm Erin!

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I am a **strategy geek**,
performance advisor,
and fierce champion
of heart-led leaders.



I am also here to challenge stodgy, outdated business-as-usual mindsets, starting with how **we design, plan, and implement strategy.**

With more than three decades of experience helping companies navigate rapid change and challenging ecosystems, there's not much I haven't seen. My practice has put me alongside executives in organizations of all sizes, types, and industries - vision alignment, risk visibility, and strategic performance are always the topics at hand.

What started as a small idea has grown into an elegantly simple yet powerful formula for designing better strategy, one that goes way beyond the bottom-line to create agile adaptive organizations that thrive.

I call it **Essential Strategy**.

I owe a huge debt of gratitude to all of my clients, colleagues and fellow practitioners for their willingness to take a leap of faith and have conversations that step out of the box and off the pages of what we've been taught up until now. Thank you!

A handwritten signature in black ink, appearing to read "Erin".

