



Strategy Survival Guide Overview

July 2004



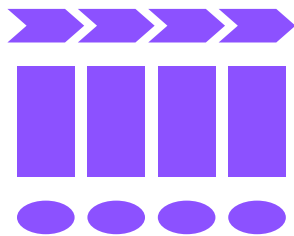


Home

The Strategy Survival Guide aims to support strategy development and promote strategic thinking in government. It encourages a project-based approach to developing strategy and describes four typical project phases. It also discusses a range of skills and useful tools and approaches that can help to foster strategic thinking. It is offered as a resource and reference guide, and not intended as a prescription or off-the-shelf solution to successful strategy work.

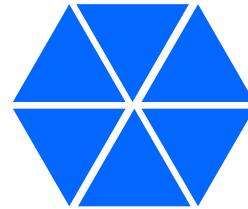
The Strategic Capability Team at the Prime Minister's Strategy Unit exists to support government departments in understanding and applying the content of the guide. Please [contact](#) us for further information.

Strategy Development



Typical tasks and outputs of each phase of a strategy project

Strategy Skills



Useful tools and approaches for thinking strategically

- > [Site Index](#) - a full index of the guide
- > [Introducing Strategy](#) - an introduction to strategy and strategic thinking
- > [How to Use the Guide](#) - tips to help you find what you need
- > [About Us](#) - background to the Strategy Unit

The Strategy Survival Guide is work in progress. The Strategy Unit would welcome your [comments and suggestions](#).

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Introducing Strategy

An Introduction to Strategy in Government

Strategies help organisations think through what they want to achieve and how they will achieve it. Putting strategies into practice and acting strategically ensures that they are focused on the things that really matter – not buffeted by events or short-term distractions – and are able to allocate their resources accordingly.

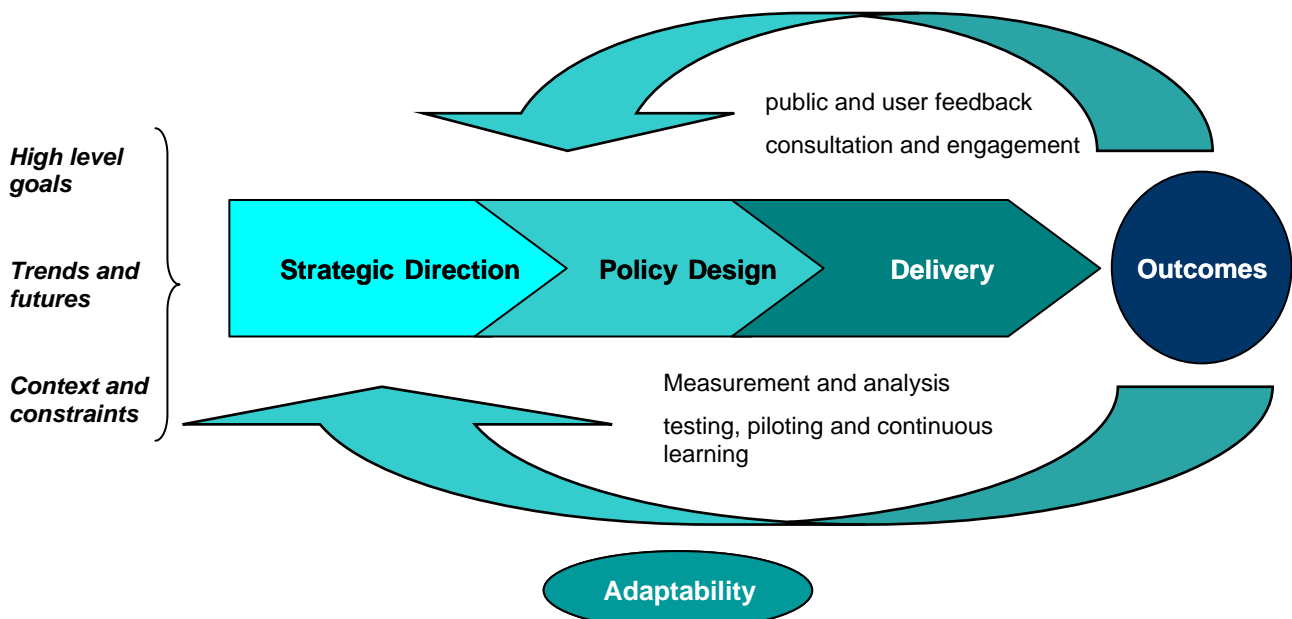
There is a huge literature on strategy in business and in warfare; strategy in government is similar, but tends to be more complex. It generally involves multiple goals rather than one single bottom line and it is implemented through a wide range of policy instruments, including laws, taxes and services. Far from being a neat linear process, it is shaped by unexpected events and political pressures. It also often needs to be more visible and accountable than strategy in other fields.

As a rule, the best strategies in governments and public services are:

- clear about objectives, relative priorities and trade-offs
- underpinned by a rich understanding of causes, trends, opportunities, threats and possible futures
- based on a realistic understanding of the effectiveness of different policy instruments and the capacities of institutions (strategies that work well on paper but not in practice are of little use)
- creative - designing and discovering new possibilities
- designed with effective mechanisms for adaptability in the light of experience
- developed with, and communicated effectively to, all those with a stake in the strategy or involved in its funding or implementation.

Strategies vary greatly. Some are very precisely defined and imposed top-down through organisational hierarchies. Others emerge in a more evolutionary and co-operative way from discussions, experiments and learning.

In either case, taking a strategic approach should ensure that decisions on strategic direction, policy design and delivery are seen as an end-to-end process of change management, with constant testing, feedback, learning and improvement. In a democracy, the end purpose will be to create **public value** – services and outcomes that are valued by the public. Policies need to be developed within the framework of a longer-term strategy, taking into account the practicalities of implementation. All strategies need to be adaptable, with quick feedback and effective information flows to respond to new information, and take account of changing circumstances or unexpected events.

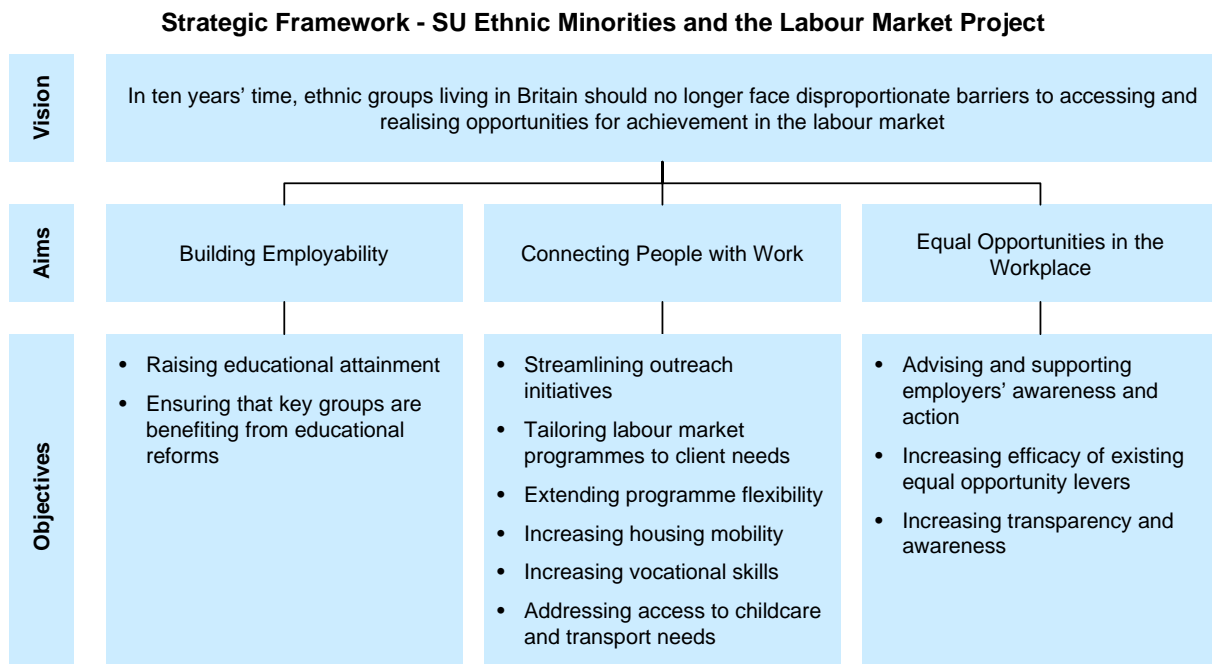


A Framework for Strategic Direction

A strategy needs to provide a clear sense of direction – based on analysis of different strategic choices and their implications. Defining the strategic direction or desired way forward will often involve a vision, together with aims and short, medium and long term objectives that provide a coherent and consistent framework for co-ordinating government activity:

- a **vision** is a statement of aspirations describing a desired future
- **aims** are the outcomes needed to bring about that desired future
- **objectives** are the those things that need to be achieved in order to realise these outcomes.

An example from a Strategy Unit project is set out below:



In addition to a framework setting out strategic direction, strategies need to provide evidence-based policy recommendations to act as a clear route map of how the objectives will be delivered. Examples of strategies developed across a broad range of government policy areas can be found on the Strategy Unit's [website](#).

The Relationship Between Strategy and Policy

The terms strategy and policy are used in many different ways, and sometimes interchangeably. For the purposes of this guide, the following definitions are used:

- **Strategy** is the overall process of deciding where we want to get to and how we are going to get there.
- **Strategic direction** describes the desired future and sets out what needs to be achieved in order to bring it about. It provides the guiding principles that give context and coherence to action.
- **Policy** provides the means of moving in that direction – and often a number of policies need to work together to deliver particular strategic outcomes. Policy design work is concerned with identifying how to achieve strategic objectives, selecting the most suitable policy instruments for doing this, and detailing how these instruments will work in practice.

The relationship between strategy and policy is very close, and should be highly interactive. Strategies should be developed together with a realistic idea of how they might be realised, and policies should exist within a strategic framework that explains how they contribute to desired outcomes.

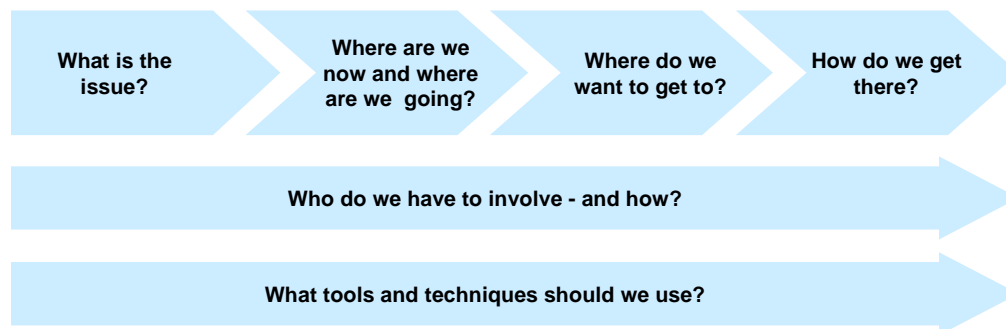
Divorcing strategy and policy creates the risk of setting unachievable strategic objectives and allowing policy programmes to develop legitimacy from their longevity rather than their contribution to meeting public needs. Close integration will help to ensure that strategies are implemented using the most suitable policies, and that different policies are not contradictory, but work together towards strategic outcomes.

The Relationship Between Strategy and Delivery

Strategies and policies that are not deliverable are of little use. Strategy work needs to involve frontline practitioner knowledge from the outset, and proceed grounded in a realistic understanding of delivery capability. Feedback mechanisms are needed from delivery back into strategy and policy design in order to create adaptable learning systems that can evolve in the light of experience and unexpected results.

Questions for Strategy Development

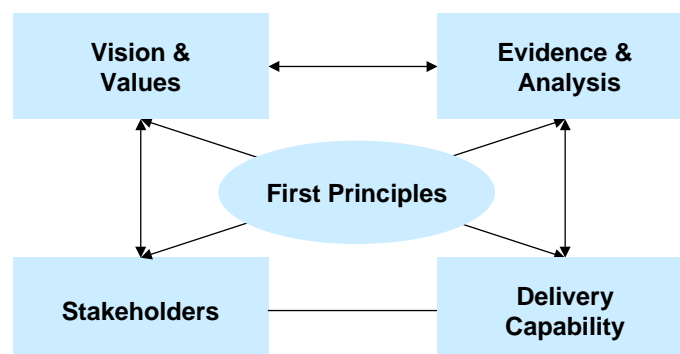
As the underlying framework that guides government thinking and action, strategy is concerned with asking and answering a number of questions. The diagram below demonstrates that while strategic issues may be highly complex and ambiguous, the questions at the heart of strategy development are searching yet fundamentally simple. This in no way detracts from how difficult it can be to answer these key questions, but provides a valuable anchor at times when the complexity is overwhelming.



The first four questions (across the top of the diagram) cut to the heart of strategy development by establishing an understanding of the world as it is today and determining the desired state of the future. The further two questions (underpinning the process) recognise that effective strategy development can not occur in either an ivory tower or black box, but must occur collaboratively using open and transparent methods and approaches. These questions are closely mirrored by the typical phases of a **strategy development** project and highlight the importance of the full range of **strategy skills**.

Components of a Strategic Approach

In practice, strategic thinking may not be as linear as the above questions suggest, but may involve a more iterative consideration of a number of key components.



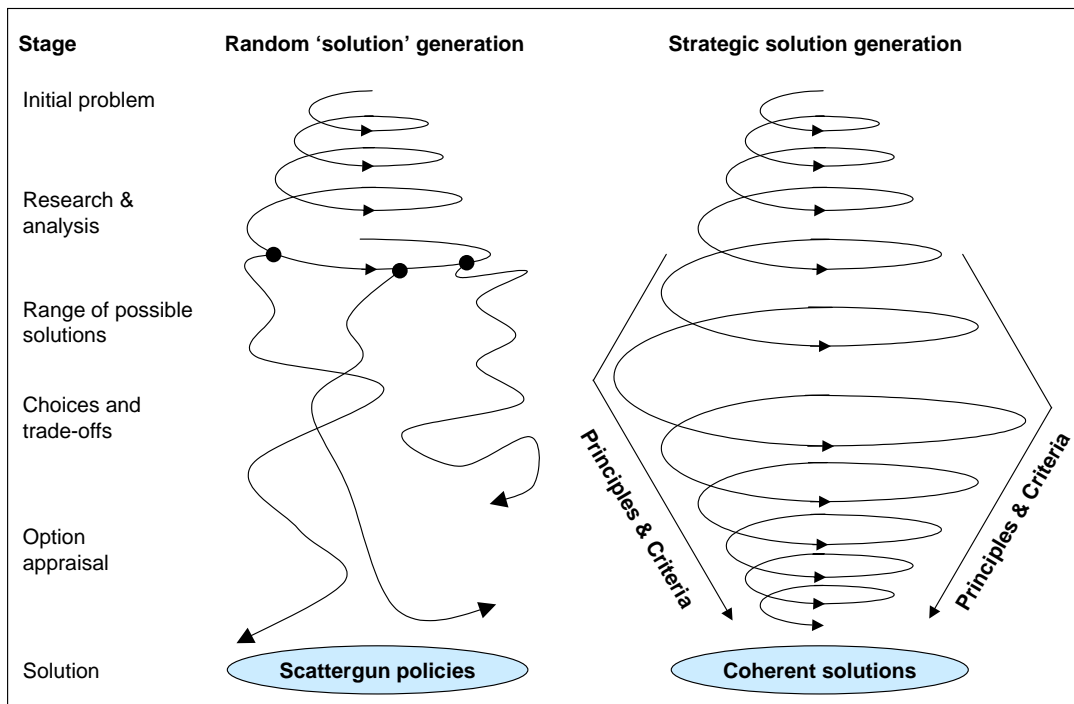
- **Vision & Values:** a vision of the desired state of the future founded on government's wider values and principles, that sets priorities, recognises trade-offs and describes the relationship to and fit with strategy in other policy areas.
- **Evidence & Analysis:** an understanding of the current situation, trends and likely states of the future, together with their drivers and causes, and a realistic evaluation of the effectiveness of different policy instruments. This should be based on a broad evidence base including economics, science, social research, statistics etc. and placed within a context of benchmarks and international comparisons.
- **Stakeholders:** a deep appreciation of their views, concerns and perspectives and a plan for how they should be involved in strategy and policy development, and the role they may play in delivery.
- **Delivery Capability:** an evaluation of the delivery system, and the culture and available resources of organisations within it, that highlights potential barriers to change and successful delivery.

These four components need to be considered objectively from **first principles** to identify the real issues, challenge implicit assumptions and question existing approaches.

A development in any one of the components may provide the initial impetus for fresh strategic thinking and drive a need to develop thinking in the other components. In the same way, strategy development is often an iterative process with the components developing and evolving in response to each other.

Strategic Solution Generation

Implicit in adopting a strategic approach is a rational and reasoned process for developing solutions. In contrast to an ad-hoc approach that is likely to result in a more 'random' set of solutions, a strategic approach is underpinned by **guiding principles** and a set of **appraisal criteria** that frame the generation and appraisal of alternative options.

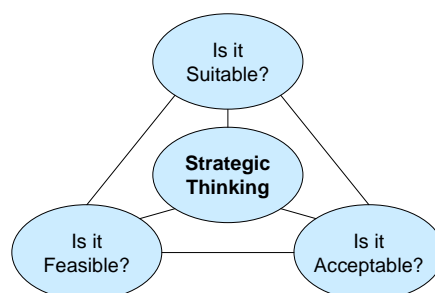


The appraisal criteria that should be used for this process are applicable to all decisions about government action, and address the suitability, feasibility and acceptability of each option:

- **Suitability** – do the proposed actions address the key issues and will they be able to deliver desired outcomes?
- **Feasibility** – can the proposed actions be delivered with the potential system capabilities and resources?
- **Acceptability** – is there sufficient political and public support to legitimise the proposed actions?

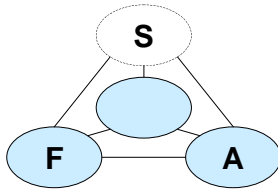
Maintaining a Strategic Perspective

The need for strategic thinking extends far beyond the realms of a formal strategy development project. At all stages of policy design and delivery, a strategic perspective is needed to ensure that government action is focused on and capable of meeting the true needs of the public. The questions posed by the three criteria of suitability, feasibility, and acceptability form the basis of such a strategic perspective.



In a dynamic world, public managers and policymakers need a strategic perspective to keep these three key questions in mind, and act to redress any gaps:

Suitability Gap

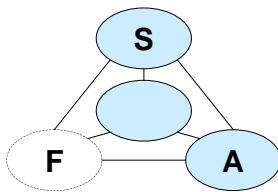


A suitability gap is created when public service actions and approaches are no longer a suitable response to public needs. This may occur for reasons including:

- the original problem or need has changed or resolved
- tensions arise with other strategic objectives or priorities
- new evidence informs a change in overall desired outcomes
- escalating or unacceptably high adverse impacts become apparent.

When public policy is no longer adding value, a strategic perspective is needed to challenge the suitability of actions and reallocate resources to address prevalent needs.

Feasibility Gap

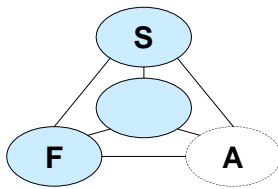


A feasibility gap is created by an inability to deliver desired outcomes. This situation may arise for many reasons, including:

- underestimation or unavailability of the resources and capabilities needed to address the key issues
- inconclusive evidence for how to address the key issues
- insufficient incentives for innovation, transfer of best practice and continuous improvement in the system
- diminishing returns requiring disproportional effort to extract benefit beyond the initial quick wins.

In this instance, a strategic perspective is needed to align spending with strategic priorities, and develop a more capable delivery organisation or system. Alternatively, if the feasibility gap is too large, there may be a case for challenging the strategic objectives in favour of more realistic goals.

Acceptability Gap



An acceptability gap is created by the absence of sufficient political or public support to legitimise action. This can occur for reasons including:

- a lack of public engagement in strategy development, including a lack of understanding of the need for change
- changes in the environment leading to shifting views about the strategy
- innovative front-line organisations responding to public needs and evolving beyond their original remit.

A strategic perspective encourages effective stakeholder engagement and a strong evidence base that demonstrates the problem and the suitability of the proposed action for addressing it. Strategies also need to be adaptable enough to encourage innovation and entrepreneurialism in meeting public needs.

Building Strategic Capability

Building strategic capability, both in terms of the ability to develop strategies and the ability to maintain a strategic perspective in day to day operations, requires a focus on creating:

- demand for better strategy work from Ministers, CEOs, Directors, and senior officials
- a culture of bottom-up challenge and 'rocking the boat' that encourages strategic thinking
- organisational structures and processes which reinforce demand for a strategic approach
- a strong evidence base that provides an accurate understanding of issues and how to respond them
- skilled and confident people with diverse experience and access to best practice resources.

References

The Strategy Unit discussion paper [Creating Public Value](http://www.strategy.gov.uk) (available at www.strategy.gov.uk) describes the concept of public value and how it can be used to think about the goals and performance of public policy.



How to Use the Guide

The guide is structured around two sections. The **Strategy Development** section discusses the process of conducting a strategy project and the **Strategy Skills** section addresses the skills that are required for successful strategy work.

An Overview

This overview document provides a summary of the content of the guide, including the **Introducing Strategy** section and the summary pages for each of the project phases and strategy skills as set out below:

Strategy Development

- [Justification & Set Up](#)
- [Research & Analysis](#)
- [Strategic Direction Setting](#)
- [Policy & Delivery Design](#)

Strategy Skills

- [Managing People and the Project](#)
- [Managing Stakeholders & Communications](#)
- [Structuring the Thinking](#)
- [Building an Evidence Base](#)
- [Appraising Options](#)
- [Planning Delivery](#)

The Strategy Development Section

Having read the summary pages for the four project phases, a more in-depth understanding of any particular phase can be developed by reading through a number of more detailed pages in the full version of the guide (available at www.strategy.gov.uk). Each summary page provides links to the following detail:

- typical tasks
- example outputs
- management issues that should be considered
- typical questions that should be asked
- relevant skills.

The Strategy Skills Section

In the full version of the guide, the summary page for each strategy skill contains links to a number of helpful tools and approaches. Together these make up a 'toolkit' for the strategy practitioner – using the right tool for the job will help to improve the efficiency and effectiveness of strategy work.

'In practice' examples are provided to illustrate how each tool or approach has been applied in recent strategy work, and references are provided for those wishing to find further information. Where appropriate, blank templates are also provided.

Other Sources of Government Guidance

The Strategy Survival Guide aims to support strategy development and strategic thinking. Further sources of guidance for those responsible for taking strategies forward into policy design and delivery include:

- The **Green Book** from HMT – supporting the appraisal of proposals and evaluation of activities
- **Policy Hub** and the **Magenta Book** from GCSRO – encouraging the use of research and evidence in policy making
- **Successful Delivery Toolkit** and **Gateway Process** from OGC – supporting the management of procurement and delivery programmes and projects.



Strategy Development

Effective strategy development requires the mandate to challenge, the space to think and the commitment of stakeholders. For these, and many other reasons, strategy work is best undertaken within the context of a clearly defined project that can act as a focal point for generating momentum behind a change in conventional thinking.

Although the process of developing strategy is complex and often iterative in nature, strategy projects tend to naturally move through a number of phases. The framework below describes these phases together with typical tasks and example outputs. A discussion of these tasks and outputs, together with the management issues and questions that often arise at each phase can be found in the full version of the guide at www.strategy.gov.uk.

The framework provides a helpful reference point but should not be interpreted as a template. In practice the phases are unlikely to be entirely discrete and sequential, tasks may actually span across phases, and phases may need to be revisited as the true complexity of the project unfolds.

Phases



Tasks



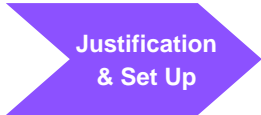
Outputs





Strategy Development > Justification & Set Up

Phase



As the need for fresh strategic thinking starts to emerge, it is important to bring clarity to the scope, rationale and approach for the proposed work.

At this early stage it is important to:

- demonstrate the need for the project
- identify and structure the issues that need to be addressed
- plan how the project will be structured
- pull together an appropriate team.

Tasks

- Justifying the project
- Clarifying the issues
- Planing the project
- Setting up the team

Justifying the need for the project is key to securing buy-in from stakeholders and generating momentum behind the need to challenge conventional thinking. This will require a close examination of the issues in order to define and agree the scope of the project. It is also helpful at this stage to identify a Minister or senior official that can act as the project's sponsor.

Clarifying the issues to be addressed will also help to highlight logical workstreams for the project and hence necessary roles and responsibilities within the team. This should be documented in a project plan along with a commitment to particular outputs and milestones, an assessment of risks to the project's successful completion, and a description of the proposed project governance structure. Even at this early stage the project plan should be accompanied by a plan for stakeholder engagement and a communications strategy.

Output



Throughout this phase it will become increasingly clear what kind of project team will be needed. By the end of the phase a team should be in place that is large enough to handle the expected workload, has all the necessary skills and experience and is acceptable to all the key stakeholders.

> typical **management issues** in this phase

It can take a significant amount of time to clarify and agree the issues to be addressed with stakeholders, to agree the project budget and to recruit the right team. As a result this phase can often take longer than initially expected. It is however a crucial foundation for the rest of the project and plenty of time should be allowed for it.

> key **questions** to ask in this phase

Skills relevant to this phase include:

- > **structuring the thinking**
- > **managing people and the project**
- > **managing stakeholders and communications**

Strategy Development > Research & Analysis

Phase



Once the project has been agreed and a project plan is in place, the team can start to lay the foundations for developing evidence-based strategy and policy by:

- identifying and gathering all relevant available qualitative & quantitative knowledge
- analysing it to generate understanding and insights.

Tasks

- Gathering knowledge
- Analysing knowledge
- Reviewing delivery capability

This phase is concerned with developing an accurate understanding of the issues in hand and accessing the best available knowledge for how to respond to them. In practice, this will lead to an iterative process with new data requirements arising as the team's thinking evolves. Within the time scales of the project it is also likely that judgements will need to be made to bridge gaps in the available knowledge, which should themselves be used to inform the priorities for ongoing research.

There are a wide range of tools and techniques for gathering and analysing data. Links should be established with government specialists early in the process so that their expertise can be brought to bear with maximum effect.

Understanding the dynamics of the delivery system, and the culture and available resources of organisations within it, will provide valuable context. It will help to highlight the degree of change required by the new strategy and identify any potential constraints to its successful delivery.

Output



The desired outcome is that the team develops a comprehensive and accurate understanding of the key facts that may have a bearing on the emerging strategy. The broader the reach of the analysis within the time available, the richer the picture that will emerge.

> typical **management issues** in this phase

It can be valuable to conclude this phase with the publication of an interim analytical report. This will focus the team's efforts, invite challenge and feedback, and provide a common platform of understanding for developing strategic options in the next phase.

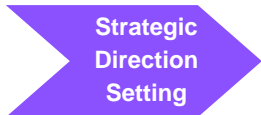
> key **questions** to ask in this phase

Skills relevant to this phase include:

- > **structuring the thinking**
- > **building an evidence base**
- > **managing people and the project**
- > **managing stakeholders and communications**

Strategy Development > Strategic Direction Setting

Phase



Having established a comprehensive body of knowledge, attention can be focused on setting a strategic direction to guide policy and delivery design.

This will typically involve:

- developing a set of guiding principles that will provide the foundation for strategy and policy development
- articulating a vision that describes the desired state of the future
- defining a set of aims and objectives that will need to be achieved in order to bring it about.

Task

- Developing guiding principles
- Articulating a vision
- Defining strategic aims and objectives

Work in this phase lays the foundation for developing a suitable, feasible and acceptable response to the problem at hand. It highlights the choices and trade-offs that will need to be made, and aims to ensure that government action is focused on a vision for meeting public needs; through organisations with ability to deliver; with the support of the political and wider stakeholder community.

It is vital that the transition from setting strategic direction to planning for implementation should not be a discrete step but occur in an iterative fashion. Considering the likely resources required to meet each strategic objective in the light of the delivery constraints identified in the previous phase will help to ensure that only achievable strategic objectives are set.

Output



This phase should result in a consistent and coherent articulation of strategic direction that defines the objectives for policy development.

> typical **management issues** in this phase

Skills relevant to this phase include:

- > **structuring the thinking**
- > **appraising options**
- > **managing people and the project**
- > **managing stakeholders and communications**

> key **questions** to ask in this phase

Strategy Development > Policy & Delivery Design

Phase



Tasks

- Developing policy options
- Detailing policy options
- Appraising policy options
- Planning the roll out

Output



> typical **management issues** in this phase

> key **questions** to ask in this phase

The final phase of the project is concerned with designing policies that will deliver the chosen strategic direction, and planning for their implementation.

It will involve:

- developing alternative policy options and identifying appropriate policy instruments
- narrowing down the number of options under consideration by appraising them against a broad set of criteria
- progressively detailing the remaining options
- using the appraisal criteria to select the preferred option(s)
- planning the roll out of the policies.

It can be helpful to adopt a creative as well as a structured approach to generating policy options, which should consider the full range of ways in which government might intervene. As each option is developed, increasing consideration should be given to designing not only the policy itself, but also the system for delivering it.

As in the last phase, involving stakeholders – particularly those responsible for implementation – in developing policy options and planning their roll out, is central to the success of this phase and indeed to the success of the entire project.

The detail of the final policy proposal and the plan for its roll out should be documented in a final report and implementation plan. Agreement and commitment to this plan will mark the conclusion of the strategy development process.

If due attention has been given to all key stakeholders, the outcome of this phase and of the entire project should be a shared recognition for the need for change, a common vision for the nature of change and clear ownership of the delivery of change.

Skills relevant to this phase include:

- > **appraising options**
- > **planning delivery**
- > **managing people and the project**
- > **managing stakeholders and communications**

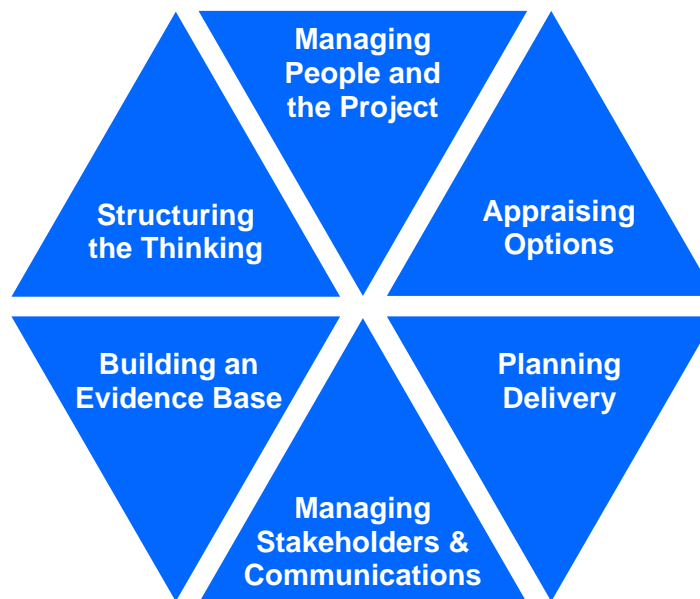
Strategy Skills

Successful strategies are rarely achieved by spontaneous flashes of genius, but rather result from the systematic collection, analysis and evaluation of facts, circumstances, trends and opinions.

In the same way, teams do not work to maximum effectiveness and strategies do not deliver full benefit unless explicit attention is given to understanding the motivations and developing relationships with the people involved.

Successful strategy work therefore requires a wide range of skills, including those below. Although each skill may prove to be of most use at a particular phase of a project, the relevance of each is by no means confined to any one phase.

Within each skill area there are a number of tools and approaches that can help to support strategic thinking. A discussion of each, together with 'in practice' examples from recent strategy work, can be found in the full version of the guide at www.strategy.gov.uk.





Strategy Skills > Managing People and the Project

Tools & Approaches

People

- Recruiting a team
- Building a team
- Working as a team
- Encouraging creativity
- Giving & receiving feedback

The Project

- Developing the plan
- Structuring the work
- Setting milestones
- Managing risks
- Defining accountability
- Evaluating the project

Managing People

Difficult strategic issues require creative and fresh thinking. To maximise the contribution of all participants, including stakeholders, to this process, effective people management skills are required throughout the project.

Particularly in the early phases of the project, attention needs to be given to **recruiting a team** of the right size, with the right skills and with the right team leader.

Once recruited, it can take time to transition from a group of individuals into an effective team. An active approach to **building a team** may be necessary given the short time scales of many strategy projects.

Working as a team also requires a clear articulation and common expectations of roles, responsibilities, modes of communication and decision-making, and an appreciation of different working styles within the team. Actively **encouraging creativity** is also an important way of maximising people's contributions.

Giving & receiving feedback is the iterative process by which the team optimise their performance. It should occur informally to enhance the day-to-day functioning of the team, as well as formally to provide appraisal points and aid long-term professional development.

Managing the Project

The overall co-ordination of the project to ensure the timely delivery of an acceptable and effective strategy requires excellent project management skills.

At the outset of a project, it is helpful to document the proposed management approach in a project plan. **Developing the plan** aids explicit communication, and helps to ensure common expectations. The plan should be continually revised and updated as the project progresses.

The team leader should determine the best way of **structuring the work** to get the most out of the team and address the issues in hand. **Setting milestones** for each work-stream as well as the overall project will help to keep it on track. Identifying and **managing risks** to the successful completion of the project is also key.

The governance structure for the project should be agreed by **defining accountability**. It may be appropriate to establish a steering committee or advisory board to whom the project team can report.

Evaluating the project before the team disbands it an important means of capturing what has been learned.



Strategy Skills > Managing Stakeholders & Communications

Tools & Approaches

Stakeholders

- Identifying key stakeholders and their issues
- Effectively engaging with stakeholders
- Developing a stakeholder engagement plan

Communications

- Drawing up a communications plan
- Communication with the media
- Evaluating communications
- Preparing presentations

Managing Stakeholders

Strategy work conducted in isolation from those that it will impact is unlikely to deliver any benefit. It is therefore essential that strategy is developed with implementation in mind at all times. The team should pay great attention to managing relationships and communicating with those outside the team who have an interest in the project's outcome.

Stakeholders are the individuals and groups affected by and capable of influencing the development and implementation of strategy and policy proposals. [Identifying key stakeholders and their issues](#) is therefore a very valuable exercise that should be conducted as early on in the project as possible.

Stakeholders, including the public and frontline staff, can make an extremely valuable contribution to the success of a project. [Effectively engaging with stakeholders](#) is key to motivating them and obtaining their commitment, and should be done through contact and involvement throughout the project - engagement from early on in the project lifecycle should help to reduce the risk of any surprises later on. [Developing a stakeholder engagement plan](#) is a useful way of planning how to effectively engage with each stakeholder.

Managing Communications

The importance of communicating effectively with those outside the team is clear. Successful communication is about sharing the right information, at the right time, with the right audience. [Drawing up a communications plan](#) helps to structure how to go about this in the most effective and efficient way.

[Communication with the media](#), who have significant influence over public opinion, is key to ensuring favourable coverage of the project.

Once the message has been agreed and communicated to the audience, it is important to go through a process of [evaluating communications](#) for their effectiveness. Communications planning must begin on day one of a project and continue until the project has been completed. Evaluation will help the plan to keep evolving through each stage of the project.

Direct communication with stakeholders often takes the form of a presentation. [Preparing presentations](#) to a high standard and tailoring them to the audience is crucial to getting the message across.



Strategy Skills > Structuring the Thinking

Tools & Approaches

- Issue trees
- First principles thinking
- Systems thinking
- SWOT
- PESTLE
- Creativity techniques

The ability to bring structure to complex issues and establish new conventional wisdom is a core skill in strategy development. To influence the way government thinks about an issue, strategy work needs to demonstrate superior thought leadership.

Having a clear understanding of the real problem and issues to be addressed is a prerequisite to designing effective solutions. Using **issue trees** can be a powerful way of identifying the fundamental questions that the project needs to answer.

Underpinning strategic thinking is the ability and willingness to go back to **first principles** and challenge implicit assumptions. A fresh, objective evaluation of the situation may yield surprisingly different conclusions from the current status quo.

Keeping the big picture in mind, rather than being tempted by its complexity to focus attention on specific issues, is key to developing effective solutions. **Systems thinking** techniques can help to understand dynamically complex systems by mapping out how factors influence each other. This can be powerful for helping to establish a common view of the way the world works and when trying to anticipate the likely response to possible interventions.

Analysing a situation or system along a defined set of dimensions can help to break down the complexity and bring structure to the thinking. Two tools that work in this way are **SWOT** analysis, which involves identifying the potential Strengths, Weaknesses, Opportunities and Threats of an organisation or strategy, and **PESTLE** analysis which involves identifying the Political, Economic, Socio-cultural, Technological, Legal and Environmental influences on an organisation or strategy.

At various stages of the strategy process the team will seek solutions that are not constrained by current thinking and assumptions. Using a range of **creativity techniques** can help to break through these constraints and free the team to find imaginative solutions.



Strategy Skills > Building an Evidence Base

Tools & Approaches

Collecting data

- Data types & sources
- Surveys
- Interviews & focus groups

Analysing data

- Modelling
- Market analysis
- Organisational analysis

Learning from others

- International comparisons
- Benchmarking

Looking forward

- Forecasting
- Scenario development
- Counterfactual analysis

Evidence plays a central role in strategy development by helping to establish a factual understanding of the issues in hand, and by informing the selection of possible solutions with the reality check of what is likely to work.

Evidence can take many forms, but for most projects it will be based on activities including:

- analysing key patterns in sectoral data
- analysing public attitudes, behaviours and expectations
- identifying international best practice examples which can provide some guide to potential futures for the UK
- developing hypotheses about trends and causal links, and testing these hypotheses against available data.

Early links should be established with government specialists to identify the full range of **data types and sources** available and the extent of work already done on related issues. Data that is not already available may need to be collected using methods such as **surveys** or **interviews and focus groups**.

Analysing the data that has been collected in order to generate understanding and insights will form the core of the project's analytical effort. Various forms of **modelling** can be used to understand the relationships between variables, while **market analysis** and **organisational analysis** can be used to provide context for the emerging strategy.

Further context, in the form of **international comparisons** and **benchmarking**, that provides a comparison with similar policy areas or other countries, is often another useful way to identify new approaches.

Finally, the evidence base on which strategy is developed needs to not only cover the present day, but also likely future developments. **Forecasting** can be used to extrapolate current trends, **scenario development** can help identify a number of possible alternative futures, and **counterfactual analysis** can help predict what is likely to happen without change to government policy and with a continuation of expected drivers of change.



Strategy Skills > Appraising Options

Tools & Approaches

- Multi-criteria analysis
- Cost-benefit & cost-effectiveness analysis
- Rationale for government intervention

It is unlikely that there will ever be one 'correct' response to a public policy issue or problem. Different stakeholders, and even different members of the team, may hold differing views on the most appropriate strategy and policies for addressing it.

Taking a strategic approach to solution generation means resisting the pressure to jump directly to a solution, and instead taking the time to consider the alternatives and use a rational and reasoned process for selecting the most suitable, feasible, and acceptable option.

Taking such an open-minded approach will not only serve to incorporate divergent viewpoints in the process, but also open the possibility of forging hybrid solutions.

The three **criteria** of suitability, feasibility and acceptability should underpin the iterative process of generating, detailing and appraising options. At the outset they may be applied informally to guide and shape the thinking, but as options are worked up and the final selection approaches more structured and rigorous appraisal methods are needed.

Multi-criteria analysis provides a structured process for determining the criteria by which the options will be assessed and the relative importance of the each of the criteria. This then enables a single preferred option to be identified.

Alternatively, **cost-benefit & cost-effectiveness analysis** can be used to determine the net cost or benefit of each option using a single metric. All options with a net benefit are worth doing – the one with the greatest net benefit is the most worth doing.

Underlying the appraisal of options should be an evaluation of the **rationale for government intervention**.



Strategy Skills > Planning Delivery

Tools & Approaches

- Change management
- Institutional change
- Designing an implementation plan

The development of strategy and the planning of its delivery should never be discrete or sequential tasks. Rather, an understanding of the delivery environment, particularly any constraints, should inform strategy work, such that only implementable strategies are developed.

It is important that the strategy team have a realistic expectation of the degree of change that their strategy will require and confidence that this can be achieved. Realising the full benefit of these changes will require an active approach to **change management**.

New policies often require **institutional change**, through changes to the structures, processes and culture of an organisation. It may be appropriate in certain circumstances to create an entirely new organisation to deliver the new strategy.

Given the significance of the delivery process to the success of the strategy, no strategy project should conclude without an agreed implementation plan. **Designing an implementation plan** is a means of documenting what needs to change, assigning responsibilities, and imposing deadlines.



About Us

History of the Strategy Unit

The Prime Minister's Strategy Unit is part of the Cabinet Office. It was formed to provide a clear focus for strategic thinking and policy analysis at the heart of government. It formally began operating in July 2002 through a merger of the Performance and Innovation Unit, the Prime Minister's Forward Strategy Unit, and part of the Policy Studies Directorate of the Centre for Management and Policy Studies. The Unit reports to the Prime Minister through the Cabinet Secretary.

The Strategy Unit has four main roles:

- undertaking long-term strategic reviews of major areas of policy
- undertaking studies of cross-cutting policy issues
- working with departments to promote strategic thinking and improve policy making across Whitehall
- providing strategic leadership to social research across government.

The Unit's Approach to Strategy Development

The Unit has a project based approach to developing strategy. Most projects are announced to Parliament and short papers outlining the scope of each project and project reports (including those produced by the Performance and Innovation Unit) are published on the Strategy Unit [website](#). Teams are tailored to the needs of each project. Most are small multi-disciplinary teams that bring together civil servants and a wide range of people from outside government, including those responsible for implementation and delivery.

Based on the belief that rigorous analysis is an essential foundation for strategy development, the unit fosters an evidence-based approach. It also promotes an open approach believing that involving people early on greatly increases the prospects of sustainable change.

The Strategic Capability Team

Established in 2003, the Strategic Capability Team are dedicated to fulfilling the Strategy Unit's remit to work with departments to promote strategic thinking and improve policy making. In addition to publishing this guide and promoting strategy best practice through coaching, training and networks, the team are focused on working with departments to help them assess and improve their ability to create implementable strategy and meet their most important strategic challenges.

Government Chief Social Researcher's Office

The Government Chief Social Researcher's Office (GCSRO) was set up in October 2002 to provide strategic leadership to social research across government. It aims to co-ordinate research planning and access to research knowledge across government, and ensure high skill levels and quality standards.

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