



Leaders of Tomorrow: The Effect of Strategic Thinking to Drive Organization

Datuk Fadzli Abdul Wahit

**Chief Strategy Officer
MDEC**

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Visionary Leaders With Strategic Minds



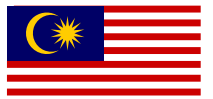
Richard Branson

- Founder of **Virgin Group**, which owns 40+ companies
- **First founder** to crew a commercial space flight



Kamarul A Muhamed

- Founder of **Aerodyne**, global 2nd by Drone Industry Insights
- EY Entrepreneur of the Year 2020 Malaysia



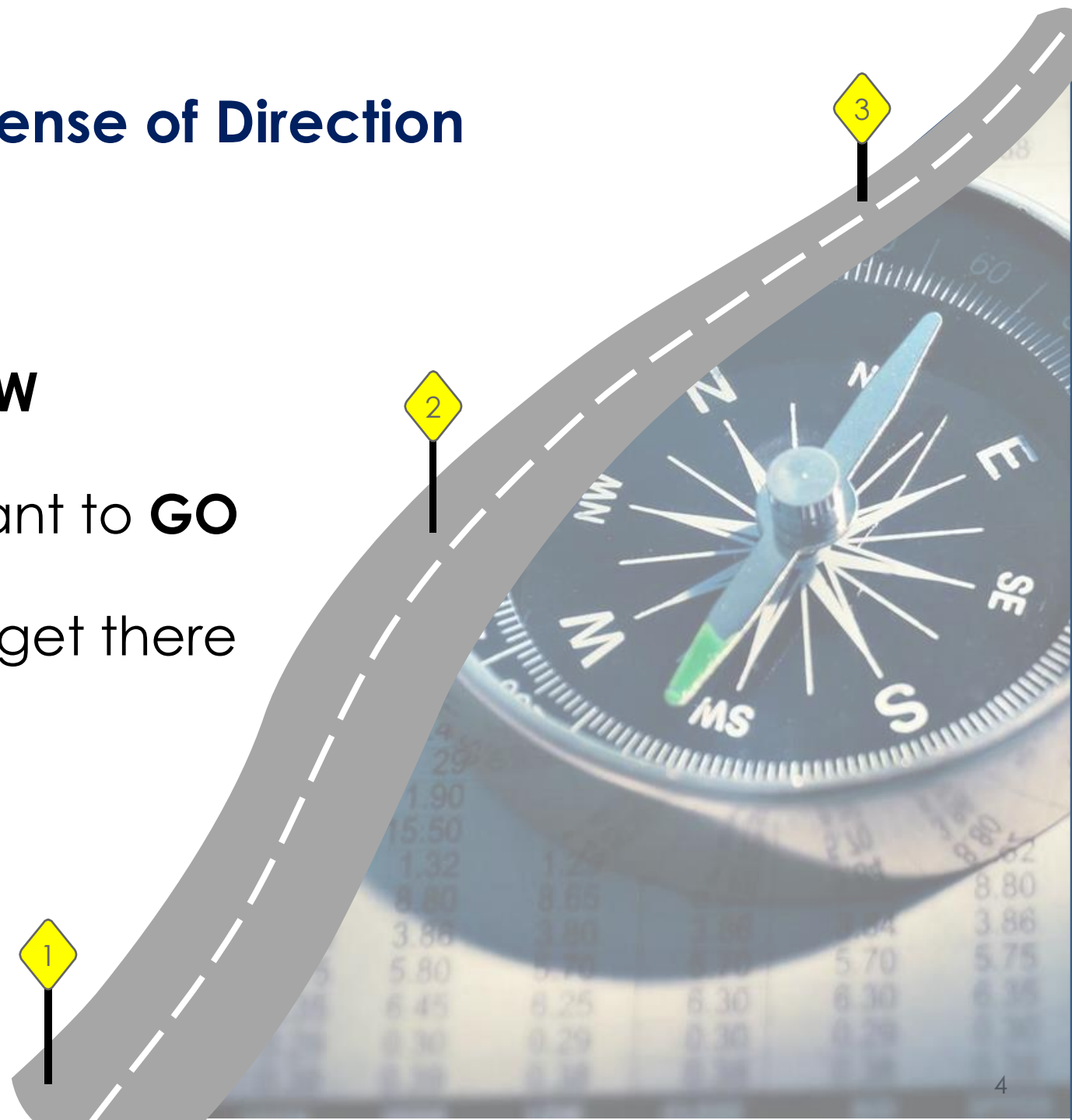
What is **Strategic Planning**?

A **systematic** process to develop **business strategies** to
enhance **competitive position**

Strategic Planning Provides A Sense of Direction

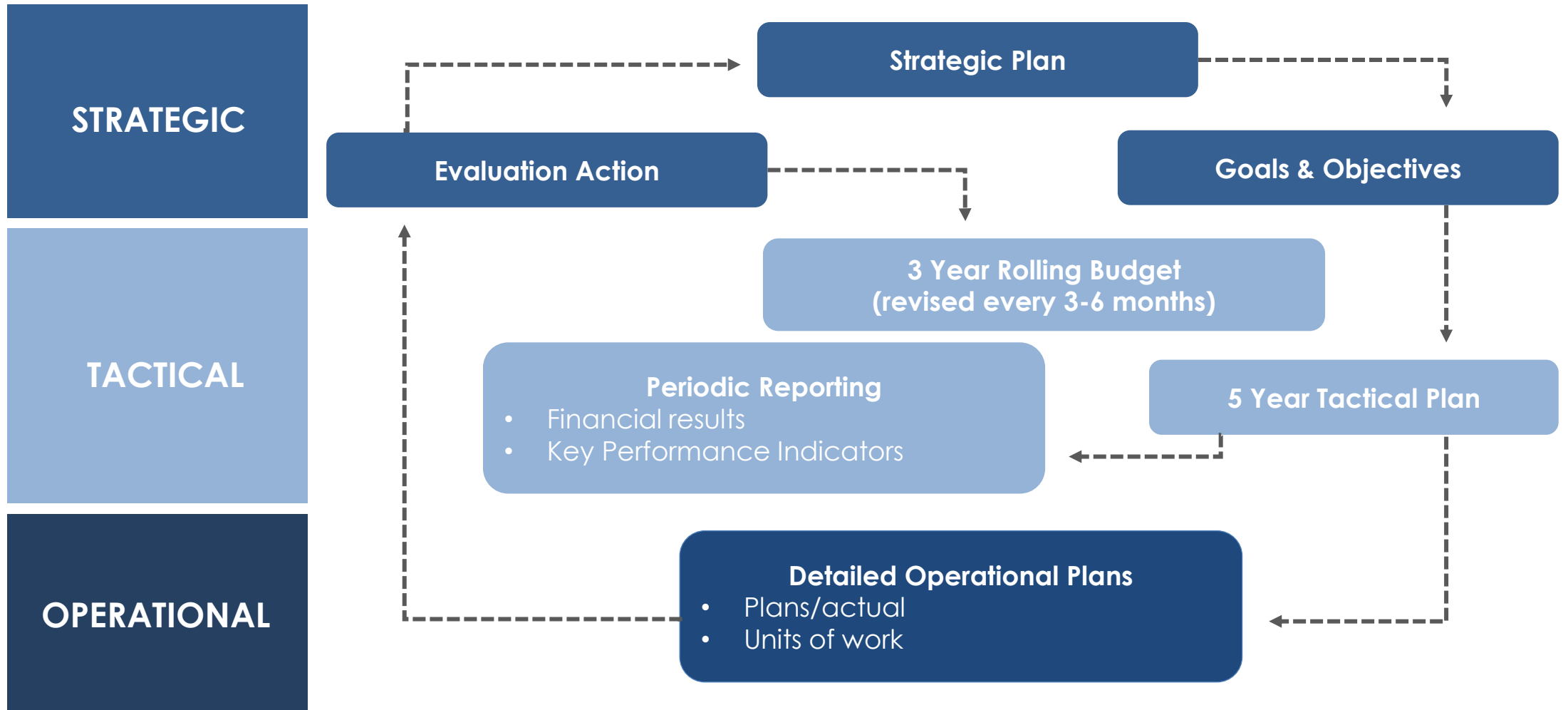
WHY Plan?

1. ...to know where you are **NOW**
2. ...to determine where you want to **GO**
3. ...to formulate **STRATEGIES** to get there



An Integrated Planning Cycle for Sustainable Growth

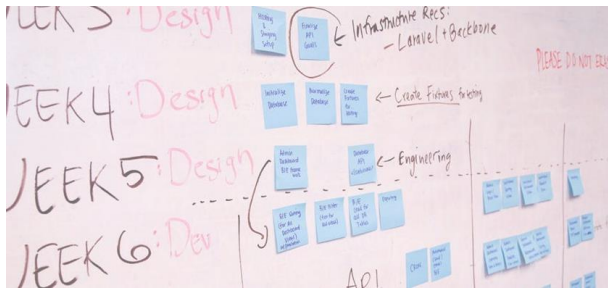
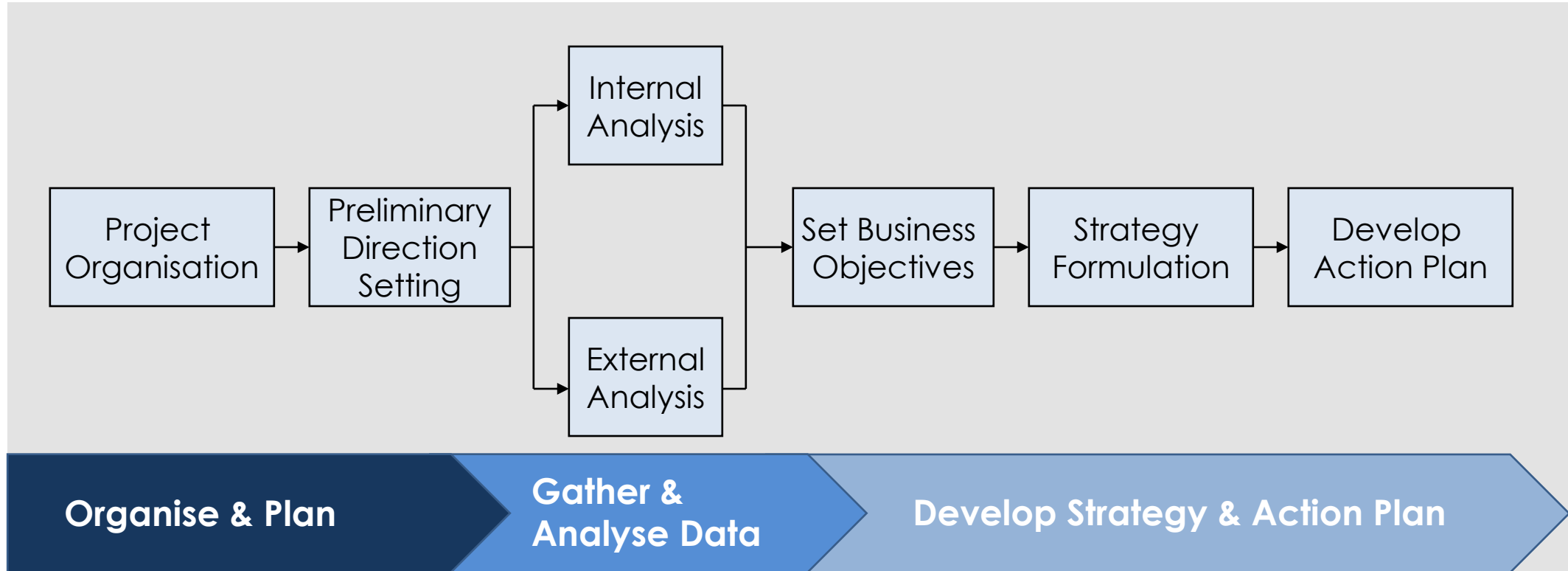
Integrated Planning Cycle



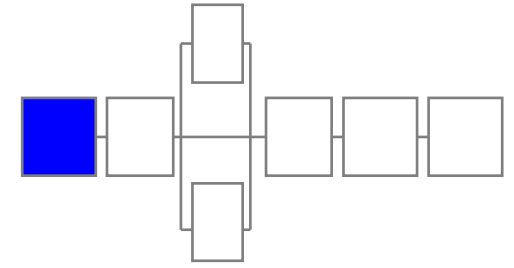
Strategic Framework Enables Structured Approach in Direction Setting



Strategic Planning Methodology for Agile Execution



Phase 1: Project Organisation



Objectives

- Define project scope
- Establish management support and involvement
- Define timetable, responsibility and resources
- Train project personnel

Major Activities

- Interview senior management
- Determine role of consultants, major tasks and deliverables
- Form project steering committee
- Determine staffing requirements

Phase 1: Project Organisation

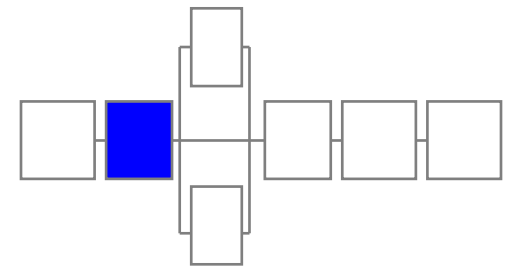
Major Activities (cont')

- Conduct project orientation for team
- Conduct orientation for client team members and project coordinators
- Communicate planning process and objectives to management and staff

Key Deliverables

- Project Workplan and timetable
- Team orientation meeting
- Client kick off meeting
- Management letter to communicate project organisation

Phase 2: Preliminary Direction Setting



Objectives

- Establish management consensus regarding project direction
- Focus on most important issues for detailed analysis
- Construct analytical framework for next phases

Major Activities

- Review current mission, strategies and assumptions
- Conduct high level review of industry and organisation

Phase 2: Preliminary Direction Setting

Major Activities (cont')

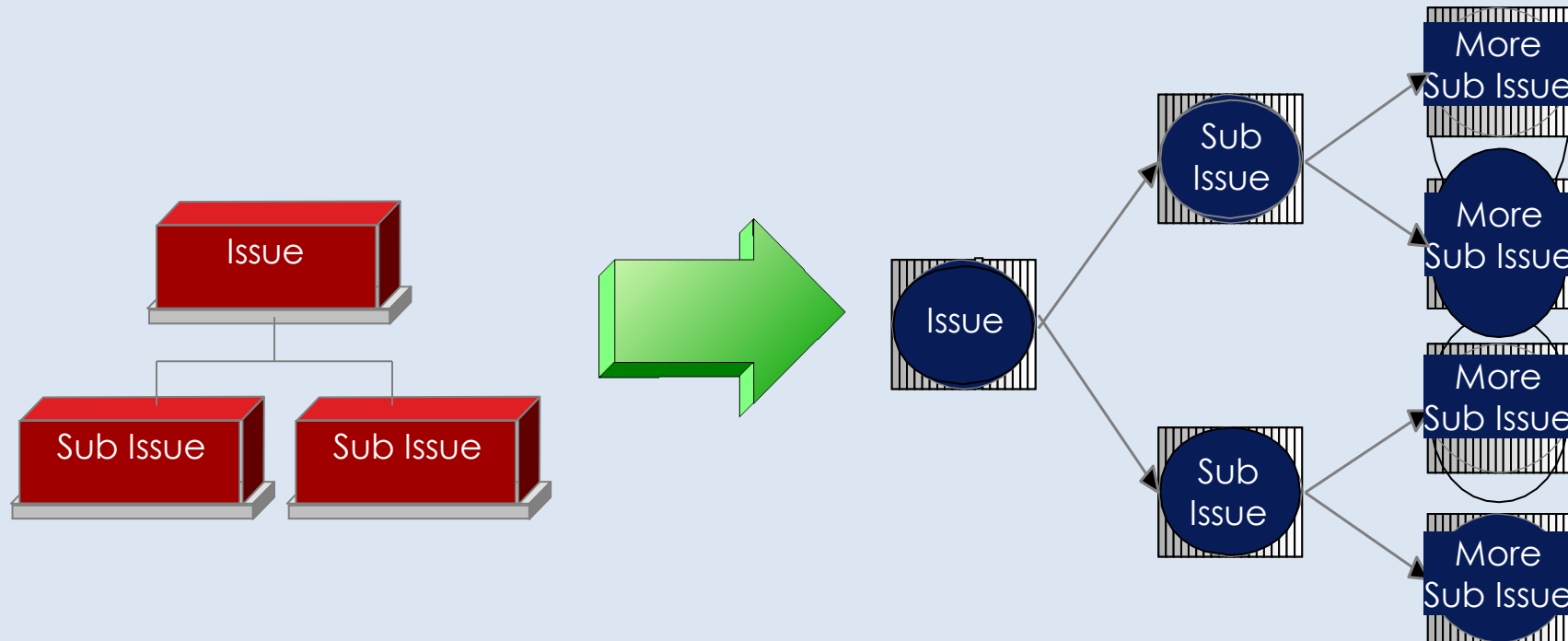
- Determine preliminary strategy / planning issues
- Select problem solving framework and develop detailed research and analysis plans

Key Deliverables

- Industry and Company structure models (e.g. Five Forces, Value Chain)
- Summary of key issues
- Issue analysis worksheets

Issue Tree Framework

- To decompose a problem, identify its components parts, then raise issues about each part
- The pyramid, when turned sideways, becomes as issue tree for raising issues and hypothesizing causes and solutions

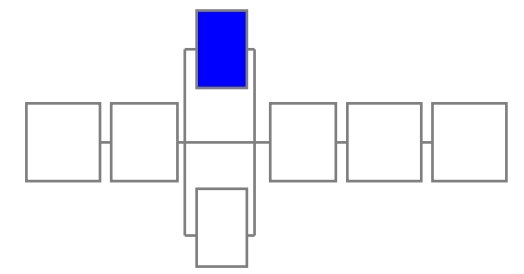


Issue Tree Framework

The issue tree can help us to decompose a problem to determine:

- **where** the problem exists
- **why** the problem exists
- **what** the potential solutions might be

Phase 3: Internal Analysis



Objectives

- Develop detailed understanding of value-adding activities
- Determine end-user values and how well satisfies them
- Determine overall efficiency and effectiveness of operations

Major Activities

- Gather financial and operating data via interviews, surveys or internal publications/annual reports
- Identify end-user segments

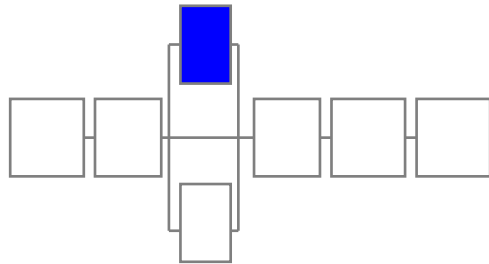
Phase 3: Internal Analysis

Major Activities (cont')

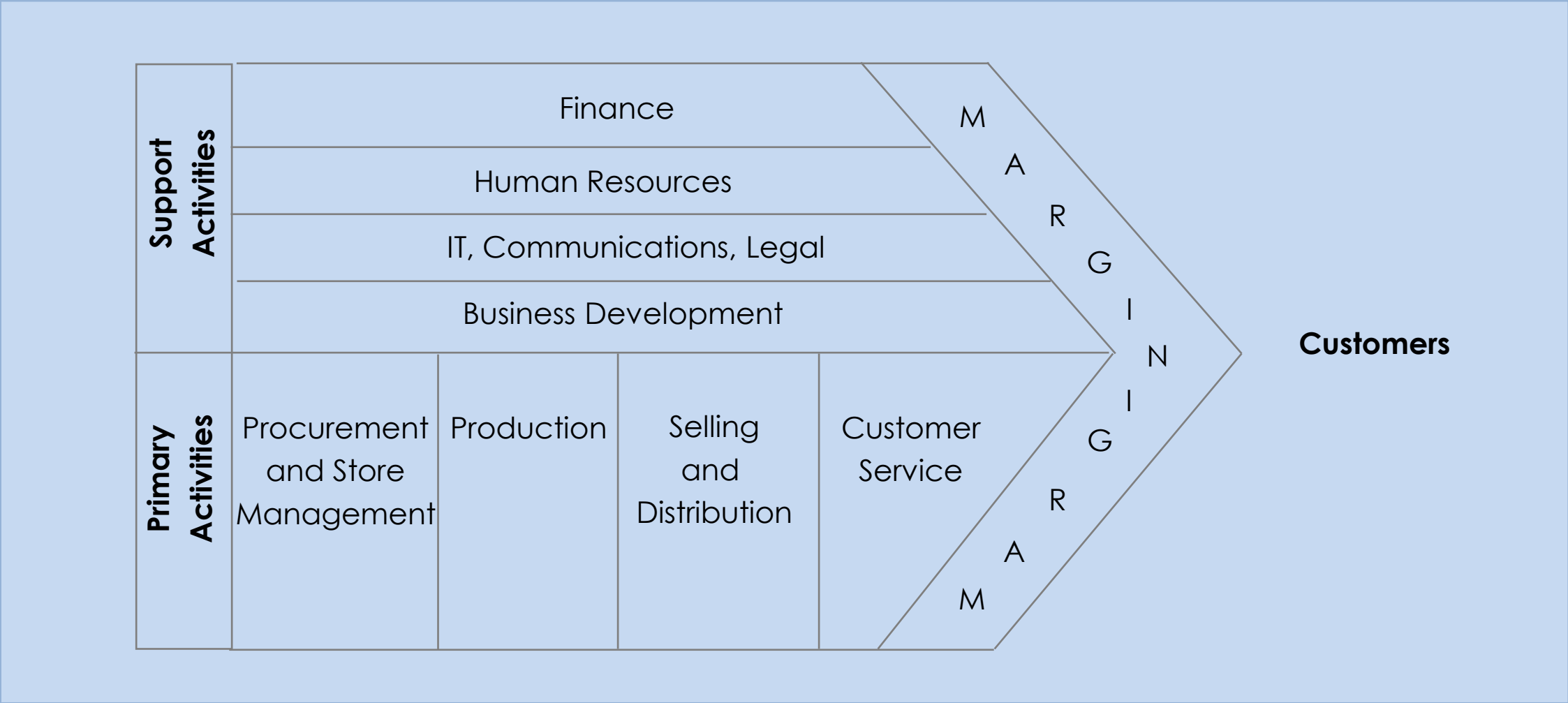
- Determine end-user values via secondary research, interviews with end-user
- Assess effectiveness of current organisation structure

Key Deliverables

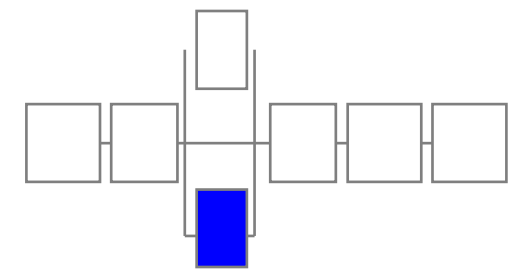
- End-User segmentation and value analysis
- Value chain and Cost/Asset Maps
- Summary of performance relative to key performance indicators (performed concurrently with industry/competitor analysis)
- Summary of strengths and weaknesses



Value Chain



Phase 4: Industry and Competitor Review



Objectives

- Determine industry dynamics and potential sources of competitive advantage
- Identify critical issues that impact competitive position and market growth
- Identify current potential competitors and sources of competitive advantage

Major Activities

- Identify economic, political, technological and demographic factors impacting industry growth and profitability

Phase 4: Industry and Competitor Review

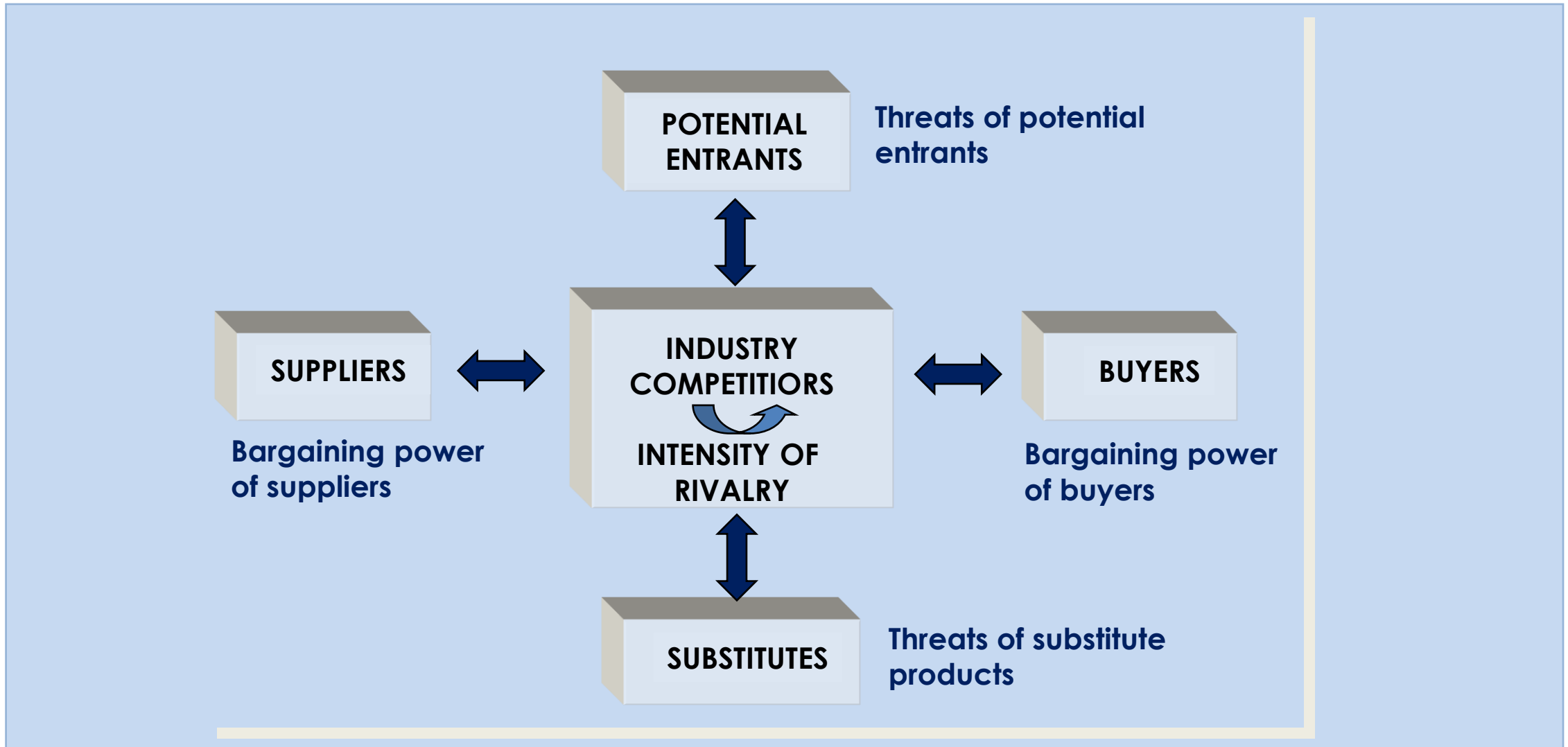
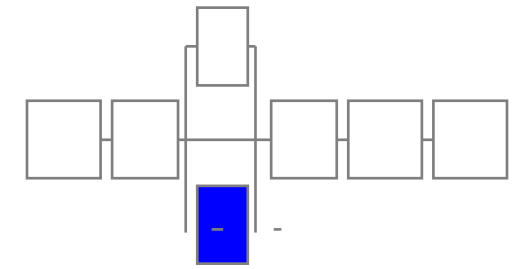
Major Activities (cont')

- Gather competitor and peer performance data for benchmarking
- Determine competitor/substitutes ability to satisfy key stakeholders
- Determine relevant supply side issues and potential impact

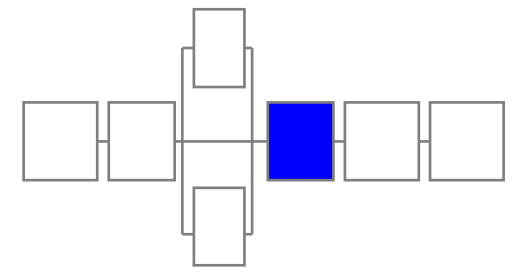
Key Deliverables

- Competitive position assessment (e.g. growth share matrix, strategic groups)
- Industries overview
- Analysis of environmental threats and opportunities

5 Forces Model



Phase 5: Set Business Objectives



Objectives

- Revise mission and vision (as appropriate, based on analysis)
- Determine business unit and functional objectives required to achieve mission

Major Activities

- Determine specific, measurable objectives based on environment and competitive assessment
- Conduct management interviews or workshop to test and revise high-level objectives

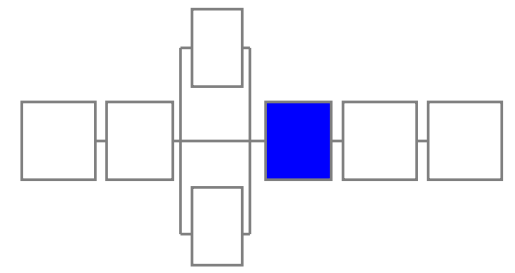
Phase 5: Set Business Objectives

Major Activities (cont')

Key Deliverables

- Conduct focus groups, workshops or management interviews to establish functional/departmental objectives
- Corporate, Business Unit and/or department business objectives and timeframes

Set Business Objectives



**Business
Mission
Element**

Profit

Excellent End-User
Service

Good Corporate
Practices

Objectives

Increase Sales
by 10%

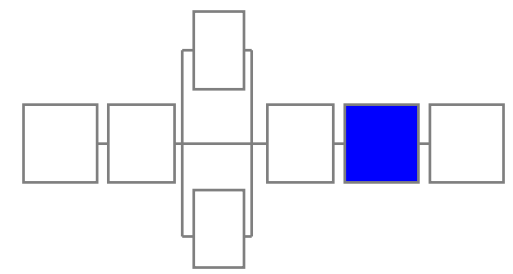
Strategies

End-User Focus
Sales Effort

Effective &
Responsive
Organisation

Competitive
Pricing

Phase 6: Strategy Formulation



Objectives

- Identify alternative strategies for realising business objectives
- Select high potential strategies for implementation

Major Activities

- Conduct management workshop to explore range of strategic alternatives
 - e.g. diversification, re-organisation
- Assess feasibility of strategic alternatives based on criteria such as
 - return
 - risks

Phase 6: Strategy Formulation

Major Activities (cont')

- investment requirements
- organisational skills and culture

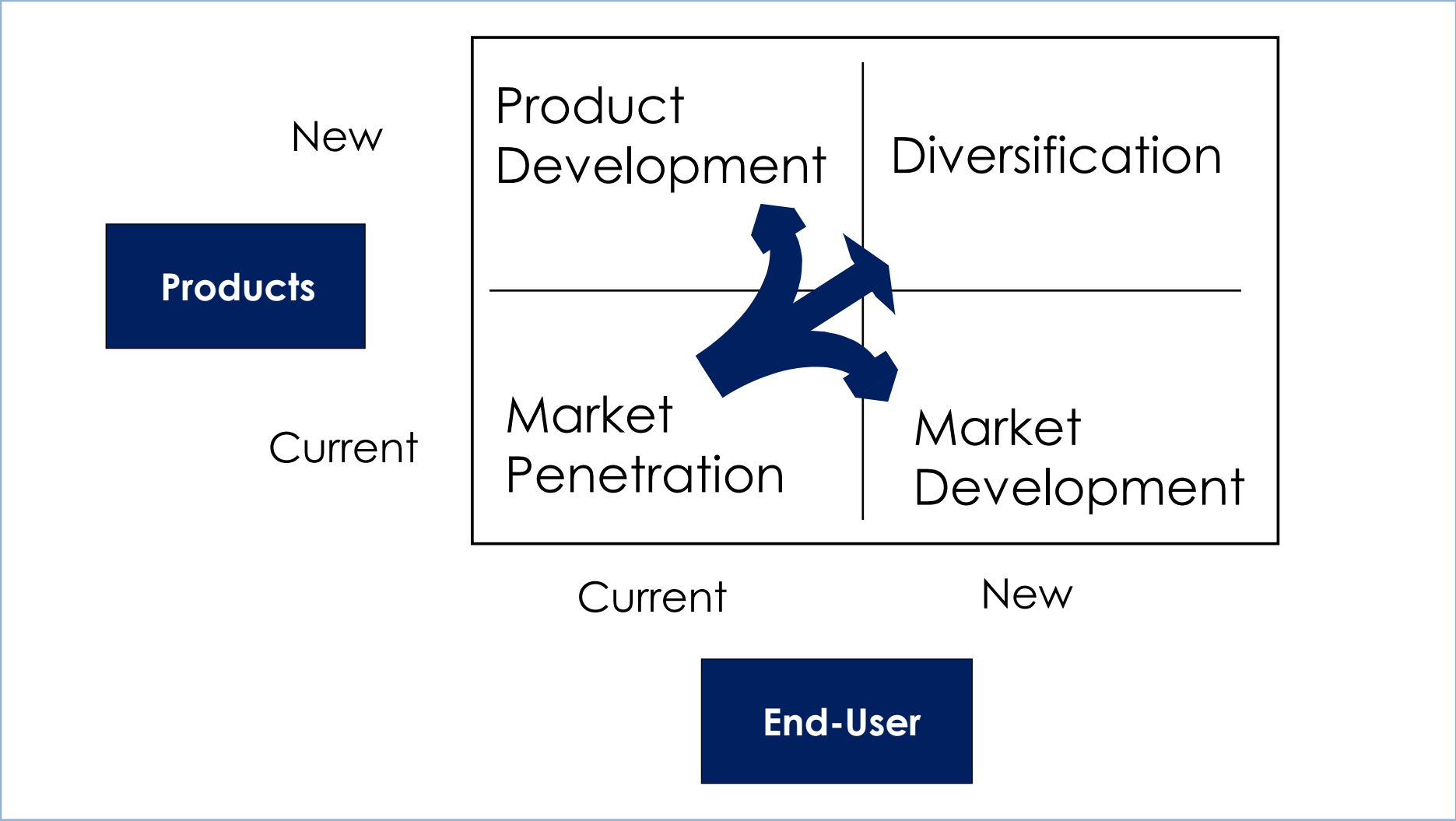
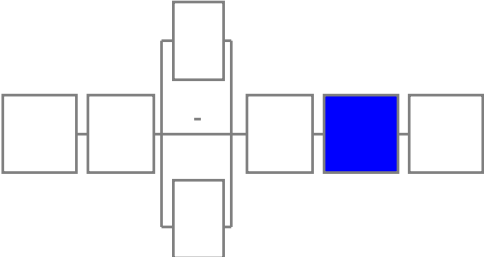
Revise list of alternatives, test with focus group or management interviews

Key Deliverables

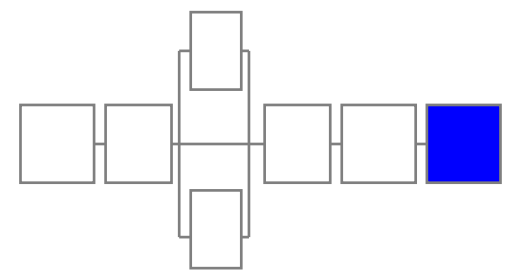
Feasibility assessment

Revised list of strategies for implementation

Strategic Alternatives



Phase 7: Develop Action Plan



Objectives

- Complete financial projections to support the strategic plan

Major Activities

- Develop the action plan to identify the task and resources required
- Project the financial resources and commitments required to support the strategic plan
- Consolidate the strategic plan
- Develop monitoring and control process for the strategic plan implementation

Key Deliverables

- Action Plan
- Financial Projections
- Consolidated Strategic Plan

Case Study: Toys 'R' Us – Weak Foresight and Slow Adoption



BACKGROUND

- Founded in 1948
- Approach: be the **supermarket for toys**
- Deemed one of the first **“category killer”**
- At its height:
 - **Controlled 25% of the world toy market**

CHALLENGES / OPPORTUNITIES

- Rise of e-commerce
- Changing taste in toys
- Increasing competition from retail

STRATEGIC RESPONSE: WHAT HAPPENED?

- **Did not adapt to the changes in consumer demand quick enough**
- Succumbed to other retail competitors
- Filed for Bankruptcy in 2017

LESSONS LEARNED

- **Constant innovation is crucial**
- **Understanding external environment for strategy planning**

Case Study: Netflix, Inc. – Disrupting with Digital Leadership

NETFLIX

BACKGROUND

- Founded in 1997
- Started by providing **DVD rental through online** and mail delivery; Adopted subscription model in 1999
- Today:
 - US\$ 25 billion in revenue 2020
 - 207 million subscribers in 2021

CHALLENGES / OPPORTUNITIES

- **Video rental stores dominated** home entertainment market
- Recognized market was not customer-friendly

STRATEGIC RESPONSE: WHAT HAPPENED?

- Differentiation, cost leadership and niche market
- 2018 - World's most valuable entertainment company

LESSONS LEARNED

- **Leverage new technologies to traditional competitive models**
- **Product differentiation**

Innovation in Education Is Disrupting the Market

coursera



70 million
learners



3000+
courses

udemy



40 million
students



155,000+
courses in 65+
languages



56,000
instructors

LinkedIn LEARNING



27 million
users

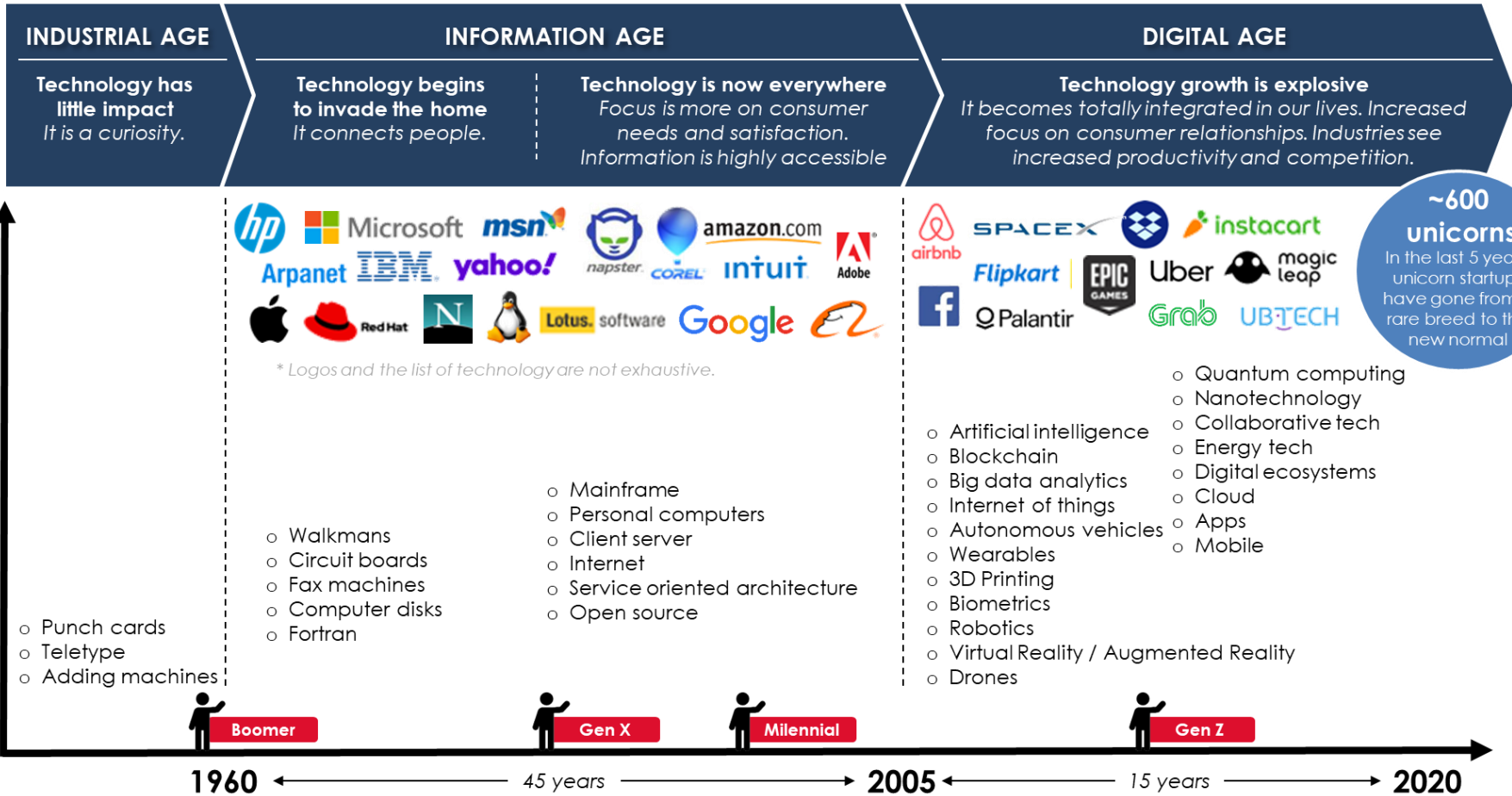


16,400+
courses

Source: Coursera Impact Report 2020; Udemy; LinkedIn

The Global Digital Landscape Continues To Evolve

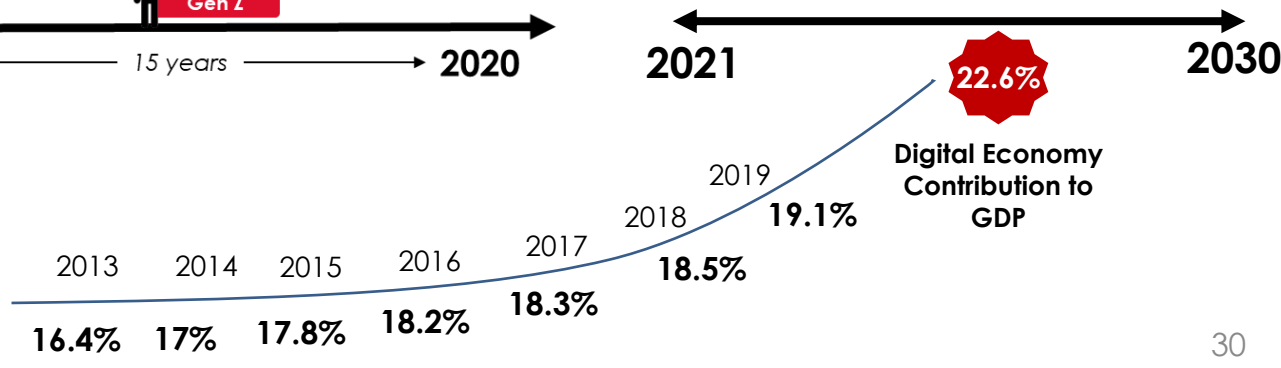
MDEC's mandate supports the growth of Malaysia's digital ecosystem



~600 unicorns
In the last 5 years, unicorn startups have gone from a rare breed to the new normal



"To develop, coordinate and promote Malaysia's digital economy, information and communication technology (ICT) industry and the extensive use of ICT in Malaysia." ~ MDEC Memorandum of Article, 2014

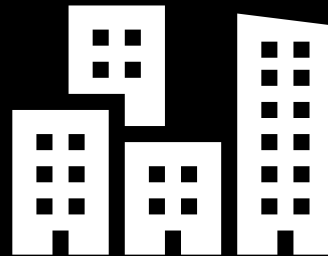


MDEC: Our vision is for Malaysia to be a vibrant and inclusive digital economy

**Digital Skilled
Malaysians**



**Digitally
Powered
Businesses**

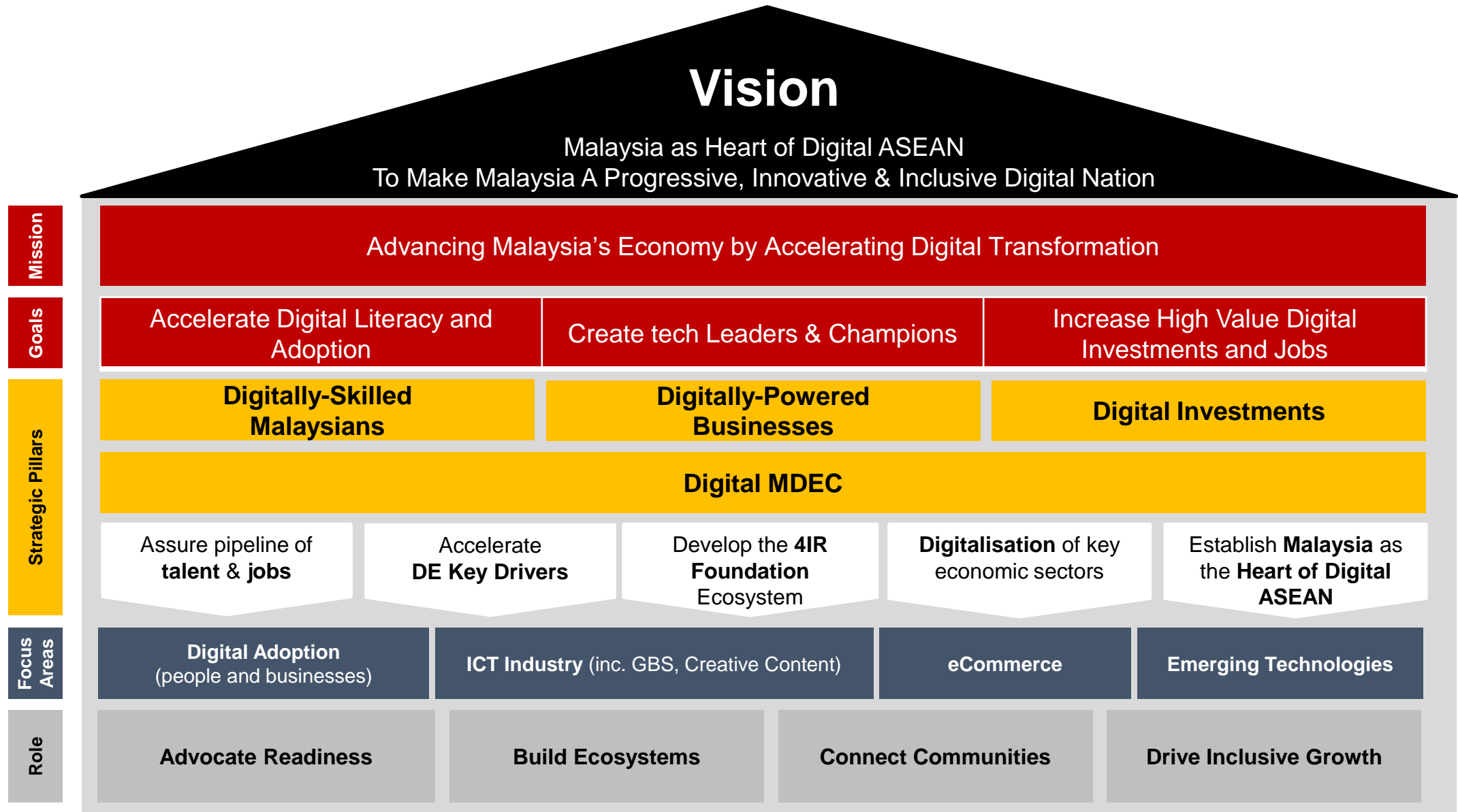


**Digital
Investments**



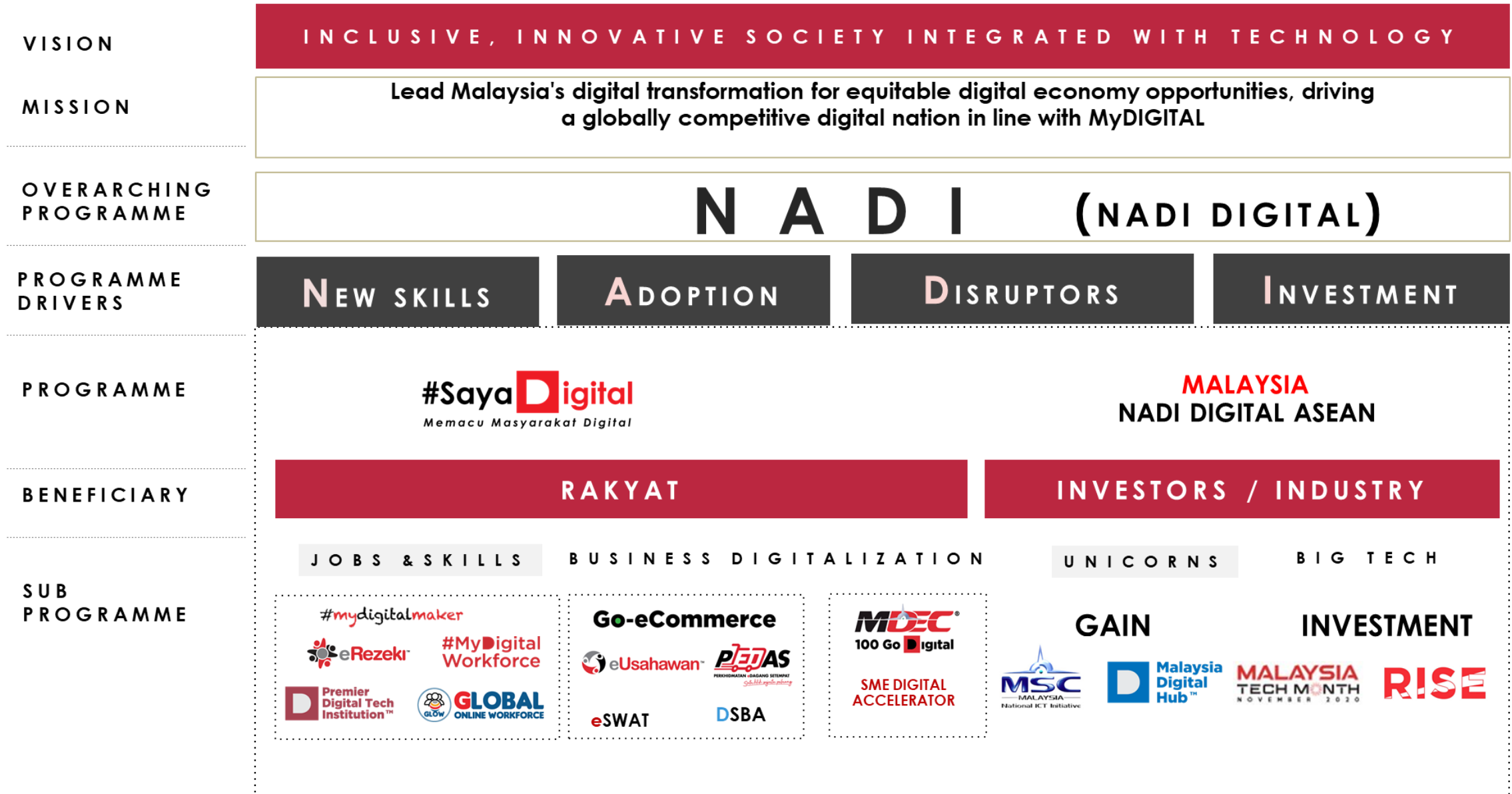
MDEC's Vision and Strategy Involves A Focused and Inclusive Approach

Mission is to drive digital economy transformation and build a competitive nation



MDEC Execution Architecture

A structured methodology to ensure consistency and impact in execution



Conclusion: We Need To Remain Agile At ALL Times



“ Nothing is permanent in this wicked world - not even our troubles. ”

Charlie Chaplin

THANK YOU

