

# How to Think Like a Strategy Consultant: A Primer for General Managers

by Robbie Kellman Baxter



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It's funny how a change in roles shifts your perspective. After spending years in corporate management, I switched to the other side. Now I make a living as a strategy consultant, advising companies on how to assess market opportunities.

And it's become startlingly clear to me how a General Manager (GM) can increase her effectiveness by thinking a little more like an outsider — not just when companies are developing new strategies, but every day.

Below I've chosen what I think of as the traits of highly effective & *objective* managers, areas I wish I'd focused on more when I was an executive. As a GM, you may already be implementing some of these, but they're all worth revisiting. Taking a risk and thinking like an outsider can do wonders for your business, for your company and for your own morale.

## 1. *Delegate. Delegate. Delegate.*

If you find yourself doing “low value” tasks because no one else knows the details well enough...and as a result are delegating the really important stuff...fix it. Pronto! I recently talked with someone who oversees an organization of hundreds of people who is managing her own calendar because she hasn't had time to find an Administrative Assistant (for over a year!). What a waste of her expertise and influence—spending hours each week calling and emailing to coordinate schedules.

The danger of getting caught in the little details is that we lose sight of the big picture—which is core strategy. People sometimes hire me to develop core strategy be-

cause “we just don't have the bandwidth to do the analysis internally”. It can be very smart to bring in a strategist to help guide the development process, make sure that the right data is gathered and that objections are raised and considered. But the GM needs to be involved in the strategic direction of the business. Really, what is more important? I worked with a GM who word-smithed the revision of a rarely-used brochure, vetoed three locations for the company holiday party, and yet who didn't have time to read a highly detailed, third-party analysis of his complete competitive set. Strategy is like aiming the gun before you shoot. Unless you have unlimited bullets, you want to make sure you know what your target is, where it lives and who else is stalking it.

## 2. *Put on oven mitts first, but grab for the “political hot potato”.*

If you're looking for a consultant because you'd rather that the executive team shoots a messenger who isn't you, you have a valid point—and I have the scars to prove it. Making a recommendation to kill the CEO's pet project, or to stop investing in a cash cow, can put you into hot water. On the other hand, if your recommendation is well-documented, and you have made an effort to build support along the way, you have little to fear. I have two pieces of advice in this situation. First, make sure you are well armed and armored. Anticipate concerns and find the data to respond, before you walk into the meeting. Second, shop your ideas around, and handle the objections of your peers and your boss' other advisors before the big meeting. Make sure you know who's likely to disagree with your point of view, and work with them to resolve their

issues prior to the big meeting. But please, don't be a wimp! You may find that your colleagues will admire you for your guts, and your boss will appreciate your thorough assessment of the situation. You owe it to yourself and to your company to tell the truth.

### 3. *Use your project intimacy to your advantage.*

So many clients worry that they're "too close" to be objective, in the way a consultant can. Out of this fear, they totally remove themselves from the process. Analyzing the data in an objective way is actually very different from collecting independent data. Usually, a GM asks for an objective outsider when he's afraid that senior management won't believe that his assessment is based on the facts. There are two possibilities. First, the GM (you) is not trustworthy. If that's the case, quit right now before you are fired. You don't deserve your job! The second, much more likely possibility is that management will assume you can't help but be biased. In this case, you just need to provide the facts and build a simple story that showcases the data, considers objections, and puts them together in a logical manner.

As an "insider", you have a big advantage. You know a lot about this business. You know where the best data is. You may already have a good idea of who the competitors are. Some of your information may be old, and some of it may need to be checked, but you have a great running start at putting together the pieces of the puzzle. One client of mine "knew" what had to be done. He knew where all of the data was within his large and labyrinth organization, but he felt like he wasn't connecting the dots. What we did was take the data he had, and talk through the argument to pinpoint the missing pieces. Then he had his staff pull together the remaining information. In just a few hours, we had an extremely compelling case made for investing in a new business.

If you need a consultant because you don't have the right skills to build long term plans, by all means, bring her in. But work closely with her. A strategy consultant is trained to ask the right questions to pull together the right data that will clearly define a business opportunity and evaluate the strengths and weaknesses of different options. However, they can never know your business as well as you do.

### 4. *Start with the Answer.*

You don't need an MBA or a stint at McKinsey to develop a sound strategy. You don't need every piece of data that is available. In fact, even the most sophisticated and experienced consultants often find themselves trapped in reams of irrelevant data. But you do need to ask the right questions and gather the information that you need to answer those questions. You need to show the opportunity size, the cost of entry and the competitive landscape and barriers to entry. I've found that getting valuable data isn't the hard part. It's much more daunting to cull the data—there's so much out there! A lot of competitive information can come from websites and marketing materials (products, positioning, pricing, placement etc.), but it can also come from customers, former employees, and vendors. (Just make sure they aren't violating confidentiality agreements!) There are many ways to bring in customers' perspectives—anything from online surveys to in-depth product validation sessions. There are third party groups in nearly every industry that do regular industry research—industry associations, publications, analysts and market research groups are all good sources for broad-based market analysis. And of course, information on public companies is widely available.

The big challenge is making the time to review the data, and understand the parts that are relevant to your business. Try to determine what questions need to be answered, and then find the data that answers those questions. One technique that is widely used by large consulting firms is to write the report before you have the data—based on your hypothesis. Leave lots of blanks and be willing to drastically change the pages—but having a deck to work with can help you stay focused and minimize getting lost in rat-holes. Use your gut to make your best guess at the answer to the problem you're trying to solve. For example: If the question is "should we enter this market?", the hypothetical answer might be: "Yes, because the opportunity is large, our cost of entry is low, and barriers to entry for our competitors are high". This question and corresponding answers map out the final report.

Outside data is a key part of any strategy. You can pull it together yourself, or delegate the gathering and number crunching. But make sure you understand the data and can discuss and defend it. Strong data can put

the plan into the broader context and is critical in predicting the success or failure of a new venture.

**5. *Find others to validate your assessment.***

Sometimes, even if you have plenty of outside data and a well-constructed argument, your executive team may want an outsider to validate your assessment. Outside data and endorsement often can help you sell your plan to executives. A third party can also identify holes in your argument that you may not have seen. Getting an outside opinion doesn't always have to entail a consultant. It might be a peer from a different part of your organization. Maybe it's a trusted vendor who works with many players in your industry. And, of course, in most cases, the very best outside endorsement is from your customers. Shop your ideas around, early and often.

**6. *Ask "what's in the company's best interest in the long term," not "what's in my best interest in the short term?"***

You will go far in business if you focus on what's in the company's best interest. But it can be frightening to take an objective look at the data and see that the best steps for the

company may lead to your role disappearing. A good consultant will turn down a lucrative project if he isn't the right person for the job or can't add value in that particular situation. His highest priority is on making a positive impact at the company. Others usually recognize this kind of integrity, and ultimately it leads to stronger relationships and better business for the consultant. The same thing is true for corporate managers. Sometimes what's right for the company doesn't necessarily leverage your best skills. If that's the case, be open to moving on, either within or outside of your company. If you truly want to think like a consultant, focus on the projects at hand. Do a great job and then move on to the next project where you can really make an impact. If that next project is within your company, great. If not, be open to leaving. In my experience, I've found that most people stay about a year longer than they should at any given job.

Why waste your valuable time in a role where you aren't making an impact? Staying focused on your company's strategic objectives, working on projects that make a difference and being honest and fair in your assessment of new opportunities will make your work more exciting, more fun and ultimately, more rewarding in every way.