

Chapter 7

Strategic Goal-Setting

The management team was gridlocked and precious time was ticking away. The annual Global Management Summit, where the management team was scheduled to unveil its new digital strategy, was going to be held in Vienna in less than a week, but the team members were still in disagreement on what to present. Worse, they were fundamentally at odds about the key message. Hans, the new head of Digital Media, had put together an awe-inspiring presentation on the future of the media industry that they were in. It identified how industry after industry had been hit by digitalization and how the new rules of the game were still unfolding. In the media industry, books had been slammed, newspapers were in a tail spin and TV felt the online world nipping at its heels. Yet the changes were just as much opportunity as threat, was the point Hans wanted to make. Now was the moment for the company to reinvent itself and grab the initiative. It was time for all business units to throw off their analogue shackles and venture into the digital realm. The strategy that Hans championed was to seek cross-media opportunities, leveraging existing content and brands towards the digital world. Even more importantly, it was his vision to sell advertising space across these different media channels as one package to advertisers.

Karin, in charge of the Magazines unit, and Gerard, head of Television, were in total agreement with Hans, emphasizing how this new direction would unleash enormous creativity in their units. However, Ben in Books and Carla in Newspapers sided with the outspoken CFO, Walter, who bluntly referred to Hans' presentation as "infotainment" and "daydreaming". In his view, Hans had failed to come up with a tangible digital strategy and there was little to present at the Global Management Summit besides "we don't really know". Instead of being inspired, Walter was concerned that the audience would be disoriented by the lack of clarity and disillusioned by so little explicit direction. Moreover, as CFO, he was worried that he had no idea where to allocate capital and how to track performance. Walter concluded that the management team should either put forward a specific and realistic plan, or should postpone presenting "the digital strategy" at all. Their credibility in the organization was at stake.

All this put Esther, the CEO, in a rather difficult position. She was obviously not going to get the consensus she always preferred to build. Her team was split down the middle. As she initiated a last round of discussion, she focused the team's attention on what seemed to be the key point of disagreement – how specific would the strategic goals need to be to mobilize people to move in that direction? Hans, Karin and Gerard reiterated that getting people to move forward required giving them an inspiring 'dot on the horizon' and letting them find ways of getting there. Karin spoke of a "moon shot goal" that would energize the troops, while Gerard emphasized the importance of being honest about the fact that no one has a map of the digital Terra Incognita. Leading people into the big unknown, Gerard stressed, would require stirring up their desire to start on a great journey however unclear the path.

While these arguments strongly appealed to Esther, she shared Walter's concern that the broad vision outlined by Hans lacked tangible choices and was difficult to put into action. She wouldn't use Walter's words like "fluffy" and "the emperor has no clothes on", but she shared his sentiment that the digital strategy wasn't really a plan that could be implemented. She, too, was anxious that people would come away from the Global Management Summit more puzzled and unclear about what to do than before. Moreover, she was troubled by what the responses would be of other stakeholders, such as the press, financial analysts and of course shareholders.

To break the impasse, she decided to call her team together one more time, but now not in the boardroom, but over dinner in her favorite restaurant. As she parked her car and considered whether to take the fantastic saltimbocca again, her mind turned back to the two issues that she needed to resolve that evening. She needed to determine how the decision-making would take place and what the decision would be – to go with a more broad and aspiring strategic goal, or a more specific and implementable one.