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How Transparent is Your Strategy?



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We often hear this refrain from the mid to lower echelons within our clients: "We just don't have a corporate strategy, and if we do, why is it a secret and not shared throughout the organization?" Why we generally think of transparency as a much sought after organization quality, the question is, "How much is too much?" Transparency and openness takes more than just sharing financials and performance review data (the information typically shared by public companies in their quarterly earnings call). It is really a matter of being open about the organizations intentions and plans for achieving those intentions.

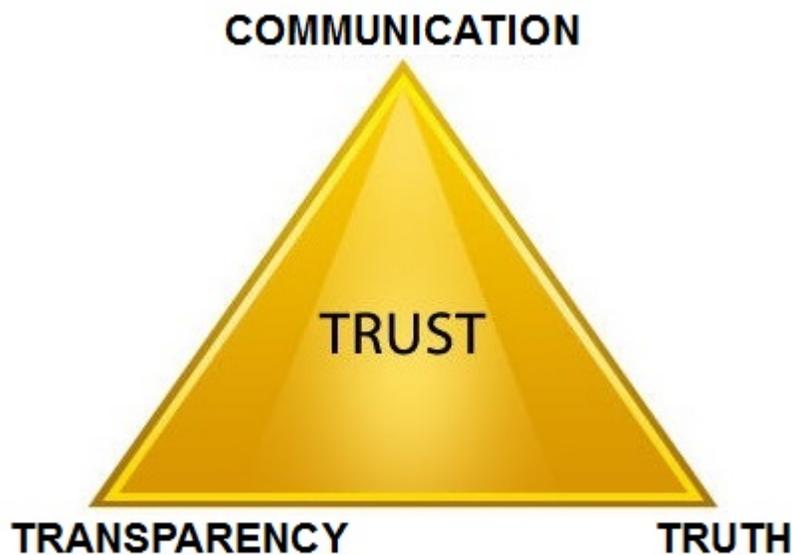
The most compelling argument for greater transparency is, how can you expect

people to implement the strategy if they don't know what it is? To quote Yum Woon Sun: *"Strategy without tactics is the longest path to victory. Tactics without strategy is the noise before defeat."*

True story: At the Annual Strategic Planning offsite for one of our financial services clients, they invited the CEO of one of their strategic competitors to come and present to the group. The visiting CEO openly shared a series of PowerPoint slides articulating his company's five point strategic plan, with everyone in the audience taking copious notes. When the time came for Q&A, one of the audience members raised his hand and asked the guest, "It appears as if you have just shared with us the high level strategic plan for your organization which I assume is not disinformation. If my assumption is correct, why are you not uncomfortable being so transparent with your organization's crown jewels?" To which the guest CEO replied without hesitation, "Yes, what I've just shared with you is true and transparent. The only difference between your firm and mine is that my organization knows how to execute and yours does not."

While we are not suggesting that you parade your strategy as above, you need to formulate your approach to transparency and not make it ad hoc based on the whims of the CEO and members of the operating management group.

Arriving at the just right amount of information and intelligence to share is directly related to the organization's culture and values, specifically the value of **trust** which is at the heart of transparency, open communication and truth. Interestingly, with greater levels of transparency comes greater levels of trust throughout the organization.



***"A lack of transparency results in distrust
and a deep sense of insecurity."
...Dalai Lama***

For example: Apple Inc. is the perfect example of how an organization shares its most closely held secrets internally, especially around new product releases and dates. Employees worldwide, with a need-to-know, have the knowledge of the critical strategic plan details so they can execute effectively. There is a sacred bond not to let slip or divulge privileged information outside the walls of the company. Leakage or slipping of information and intelligence results in immediate termination.



"Loss lips, sink ships."

While there is no one size fits all approach to the transparency dilemma, every organization has to decide what is right for them. The question about - "Who has a need to know?" is tricky and requires careful analysis. The idea is to make a conscious decision and make transparency happen versus letting it just evolve. Decide for yourself. We would welcome the opportunity to learn about your firm's approach to managing transparency. Are you completely open, completely closed or a hybrid? You can reach us at kappainfo@kappaeast.com.

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