

Strategic thinking: When NO means YES



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A well-defined strategy allows executives to make the right forward-thinking business decisions at the right time, whether they relate to corporate planning or specific project investments. Sooner or later, every decision requires either a ‘yes’ or a ‘no’ decision. And, at this point, the decision is typically complex, involving a variety of internal and external factors along with continuous change in the business landscape. The decision either removes a company from the competition or creates a chance for success.

To show the importance of making a right strategic decision, several business cases are demonstrated below. In all examples, the company has to decide either ‘yes’ or ‘no’. Hence, the question of how to make a correct ‘no’ decision that will lead to business prosperity arises:

- A project possesses good market-entry potential, but the company cannot find a strong and reliable local partner. Should the company take a risk by developing such potential?
- The current financing conditions might restrict a company’s ability to attract required investments. Should a company consider more complex financing and more expensive terms in order to develop a project?
- A company has a potential new business channel that requires high capital expenditure and a long development period. Should the company concentrate on short- to medium-term objectives or focus on long-term opportunities?

Three key considerations can help a business decide well:

1. How will the decision differentiate the business (i.e. how it will allow the business to remain competitive)?
2. How will the decision affect external perception (i.e. is this a politically correct decision)?
3. What sacrifices and gains will the decision bring the business today, in one year, in five years and 20 years from now?

Many techniques exist to help businesses make correct decisions, and yet complex decisions require a combination of robust analysis and significant industry experience.

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