



New Challenges for the Sector

Issues across the sector
Making the shift from
operational to strategic
thinking.

Thoughts on Strategy






Views on Strategy

- Strategy is that which top management does that is of great importance to the organization.
- Strategy consists of the important actions necessary to realise organisational aims.
- Strategy answers the question: What are the ends we seek and how should we achieve them? (George Steiner)
- Strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value.
- A means of achieving competitive advantage (Porter)



Strategic Decisions

- The Scope of an organisation's activities
 - The Matching of a organisation's activities to its environment
 - The allocation of major resources
 - The values, expectations and goals of those influencing strategy
 - The direction an organisation will move in the long term
 - The implications for change in the organisation
- (Johnson and Scholes – Exploring Corporate Strategy)

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- **What strategic choices has your organisation made or had made for it?**
 - **Would any of your decisions qualify as strategic?**



Text Book Strategy

- **Strategic Management**
 - the process of strategic decision making
- **Strategic Analysis**
 - environment, resources, expectations
- **Strategic Choice**
 - generation, evaluation, selection
- **Strategic Implementation**
 - translation, resource planning, systems)

Johnson and Scholes

Strategic sceptics

“Strategy is a living, breathing dynamic game... Forget number crunching, scenario planning, 100 page reports. Strategy is very straightforward. Pick a general direction (the big AHA!) and implement like hell”

Jack Welch Ex CEO GE “Winning”

“Beware of Geeks bearing formulae”

Warren Buffet

“If I see the word strategy on a document I put it in the bin”

Chair B&Q

“Plans are nothing, Planning is everything”

Dwight D Eisenhower



The Mind of the Strategist

- An idiosyncratic mode of thinking
- Dynamic Interaction between company, customers and competition
- Plans for action eventually crystallize
- Creativity and drive give strategies their impact

(Kenichi Ohmae)



A question of balance

- Trends are real... but they are not laws
- Information is vital... but always incomplete and often inaccurate
- Analysis is powerful.... but never gives the complete picture
- Models are vital... but the map is not the territory
- Experts know more (not all)... but there is wisdom in crowds
- Some directions are better than others... but its not always apparent up front



Strategic Challenge



Challenge 1

“The money’s all gone”

- Impact of Public Sector Cuts
- Specific Hits- Train to Gain, ESOL, EMA, Adult Skills
- Capital Funding
- Your Big Issues?



The money's all gone -Strategies

- Income generation

- Apprenticeships/Employers
- HE
- Schools/Academies/UTC's
- New Markets

- Cost Cutting and Efficiency

- Staffing Reductions and Conditions of Services
- Curriculum Innovation/New Technology
- Collaboration/Shared Services
- Mergers



Challenge 2

Changing Priorities

- Skills
- Education
- Qualifications
- International Comparisons
- Quality
- Disadvantage
- Value for Money



The Wolf Report

- Many Vocational Qualifications do not value
- GCSE English and Maths are important –but the system encourages inferior alternatives
- Challenging ‘equivalence’
- Good work experience is better than poor qualifications
- General Education is important in a unpredictable world

Wolf recommendations

- Driven by student demand
 - Informed by truth
- Government should monitor not manage
- Funding for flexibility
- Accreditation of awarding bodies not qualifications
- Compulsory English and Maths
- Removal of institutional 'points' incentives
- Colleges role 14-16
- Teacher transferability
- Encourage (young) apprenticeships



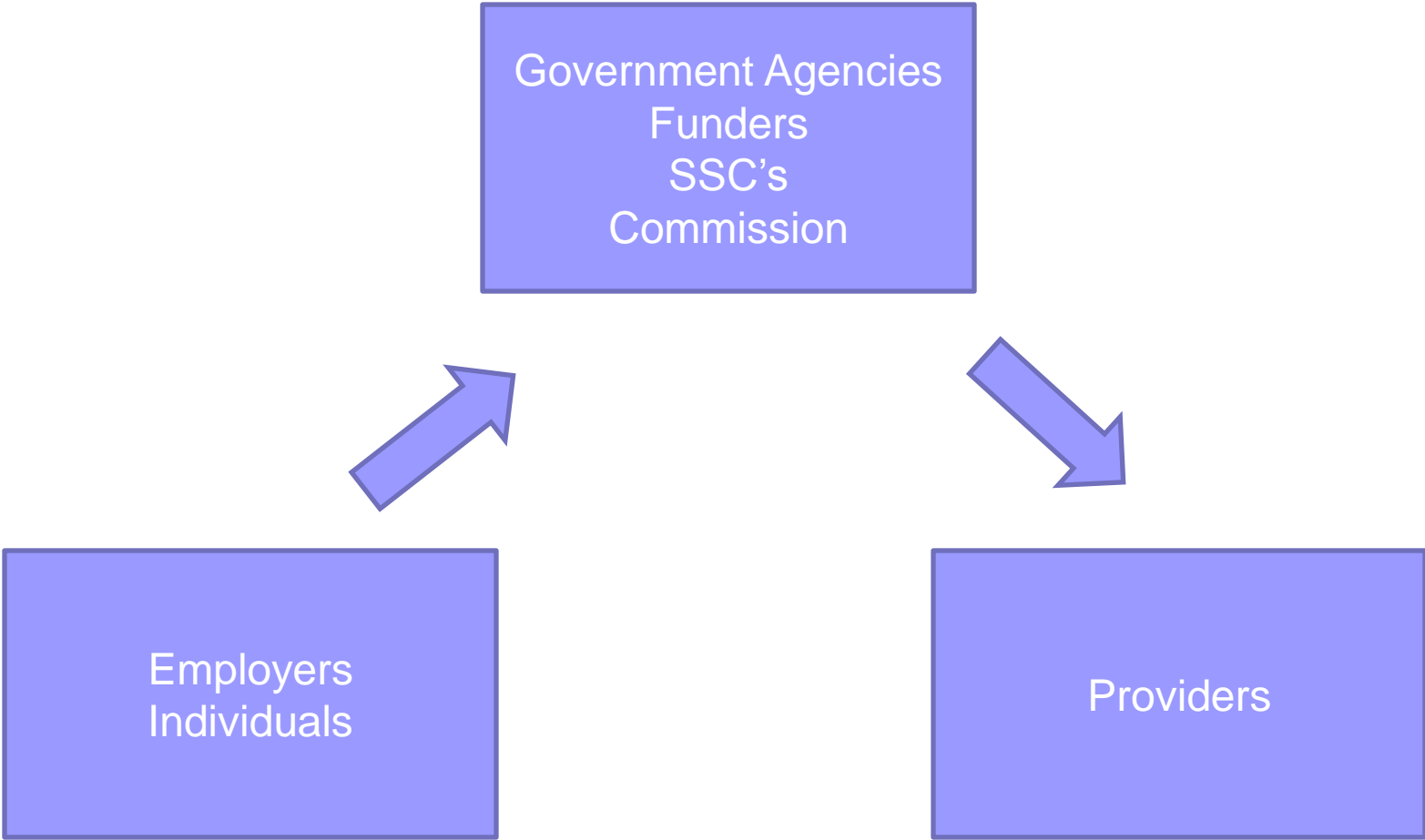
Changing Priorities

- How are changing priorities impacting on you?
- What strategies should you adopt?

Challenge 3

Paradigms have shifted

- 1997-2010 -The age of strategy?
- Demand Led
 - Whose demand?
- Well resourced 'representative' agencies
- Centralised Planning
- Targets and Standards
- Accountability and Inspection
- Running on Rails





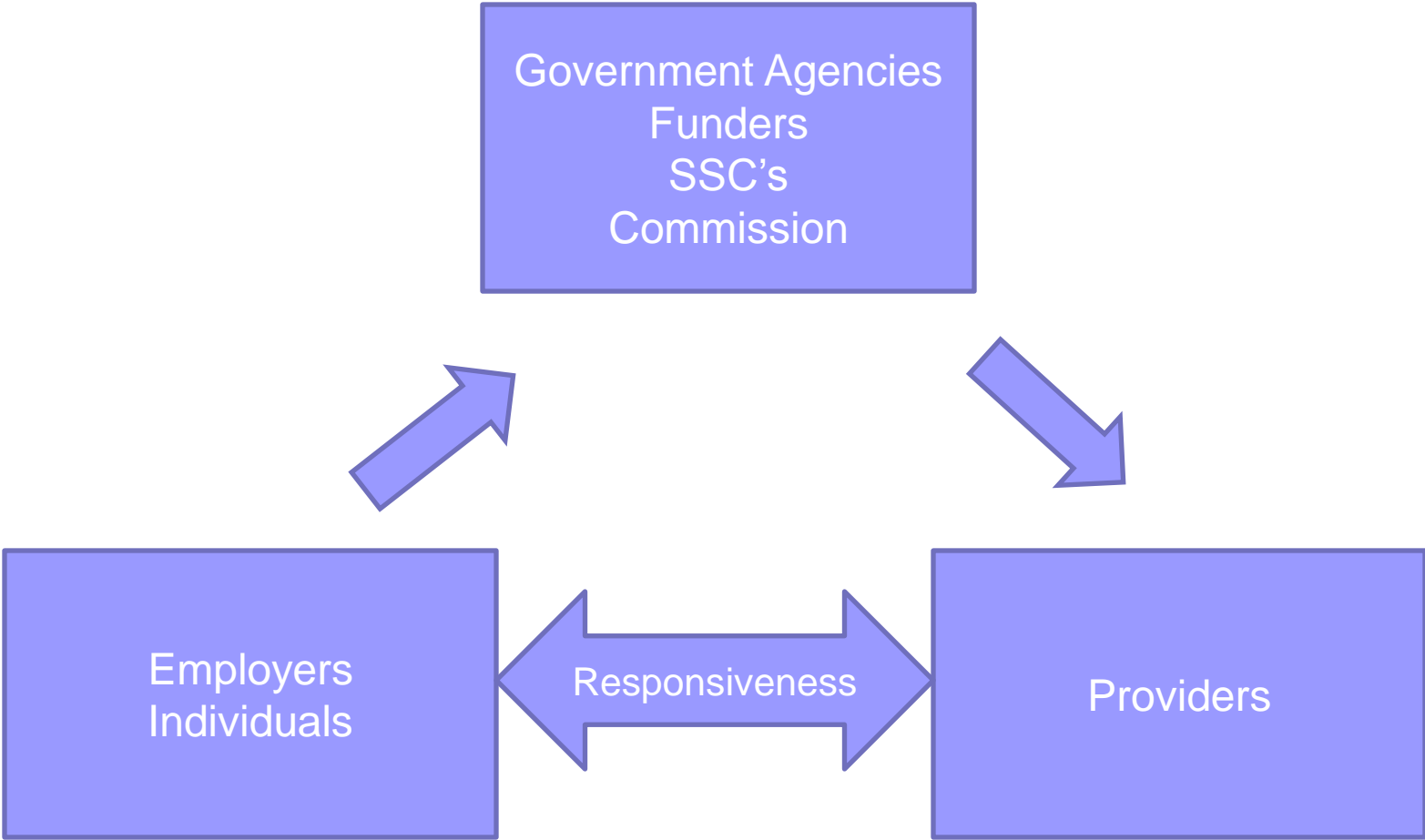
Emerging Complications

- Representatives are never enough
- Focus up or focus down
- Limitations of standards
- Qualifications or Skills
- Forecasting discredited
 - Unpredictability and the credit crunch
 - The role of the unexpected
- The distraction of targets
- Complexity or Flexibility



The Coalition Cometh

- Inherited reform
 - Skills Funding Agency and YPLA
 - Local authority control aborted
- FEFC model appeals but...
 - Departmental split
 - The money's all gone
 - Coalition politics
- Reform in BIS, Revolution in the DfE
- Modest freedoms, Soft Priorities
 - Basic Skills and Apprenticeships





The price of 'freedom'

- Less Direction
 - = More Autonomy
 - = More Choice
 - = More Responsibility

What freedoms (if any) do you need and what would you do with them?



Strategic Paradox

- The importance of strategic direction
- The unexpected and the unpredictable
- How would you know?
- Feedback, networks, respect and operations
- Can you react?
- Flexibility and Creativity
- The Young Samurais



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