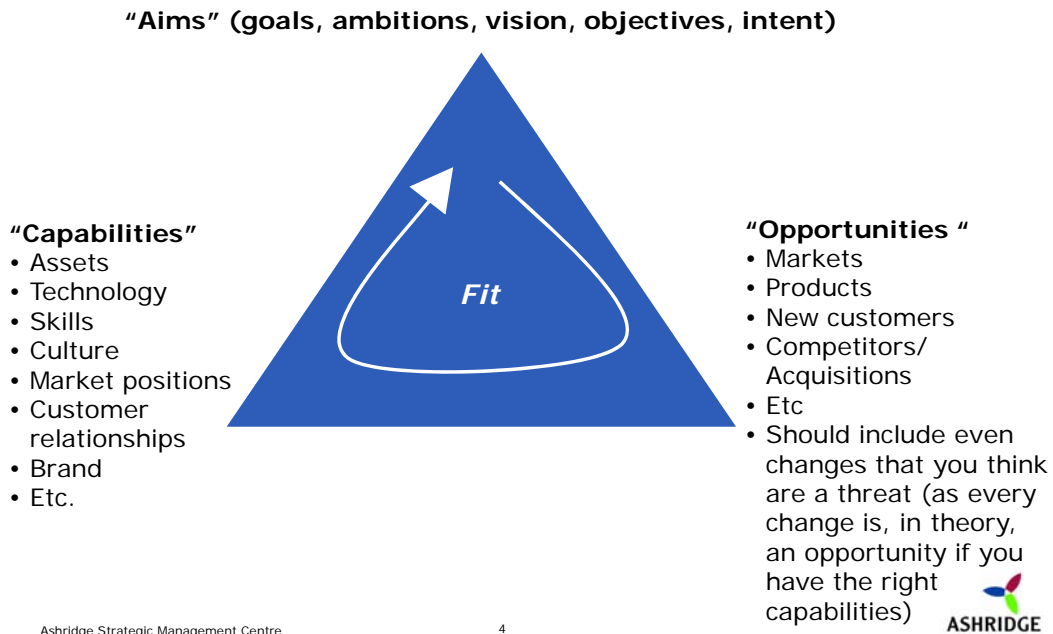


The Strategy Triangle

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This framework brings together three views of strategy: Strategy as How an organization pursues its Aims; Strategy as the pursuit of attractive External opportunities (which can include threats – it may be helpful to think of this category as “events”) and Strategy as the building of Capabilities. They all reflect a view of strategy as “How an organization achieves success”.

The framework also brings out the need for the fit or alignment between aims, capabilities and opportunities. An organization might have great opportunities – but if they don't fit the aims then there is a conflict that needs resolving.

Clarifying and laying out strategic assumptions in these three areas helps to highlight any internal inconsistencies. However, even if the strategic assumptions are internally consistent, they may be more or less effective or realistic.

You can use the triangle in a staged process e.g.,:

- Describe the current ambitions, opportunities and capabilities
- Consider if there is a good fit (if not, what could be changed)
- Consider how this might evolve over time
- Consider your major options e.g., add capabilities, change aims, seek different opportunities

We also can use this framework to explore strategic options. Do the ambitions suggest new options? Are there new opportunities – be they to create customer value, enter new markets or apply something learnt from competitors or other industries? Do we have strengths that we can exploit in new markets?