
HOW TO CREATE YOUR STRATEGY



A GUIDE FOR BOUTIQUE CONSULTANCY
LEADERS

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The term ‘strategy’ is often misunderstood as defining the point that the firm wishes to get to. If only it were that simple! In reality, firms are constrained by their resources, environment and competitors, and must usually make do with the limited choices open to them in order to create a ongoing revenue streams. The closest definition to this I have seen is that strategy is a set of self-reinforcing choices that provide sustainable competitive advantage. The key phrase here is self-reinforcing. The options that are available to the small firm must be mutually supportive, so they generate a virtuous cycle by which strengths and uniqueness are continuously improved. In practice, this means aligning your talent, marketing, and service strategies with your firm strategy, structure and processes.

This guide outlines a structured, step-by-step approach to developing a practical strategy that will help your consultancy grow and thrive. It combines proven strategic tools, logical connections between stages, and a focus on delivering tangible outputs at each step. Whether you are looking to expand into new markets, improve profitability, or differentiate your services, this method ensures your strategy is not only ambitious but also achievable.

At its core, this approach follows a logical sequence:

1. Diagnose your current position to understand where you stand in the market and what’s holding you back.
2. Define your vision and objectives to provide a clear sense of direction and measurable goals.
3. Prioritise focus areas to concentrate your efforts on markets, clients, or services with the greatest potential.
4. Develop a winning approach by identifying how you will create value and stand out from competitors.
5. Build an operating model that aligns your internal processes and resources with your strategy.
6. Plan and execute actions by setting milestones and assigning accountability.
7. Monitor and adapt to keep your strategy relevant and effective over time.

Each step builds logically on the last, ensuring a cohesive flow from analysis to execution. Let’s begin by diagnosing your current position.

Step 1

UNDERSTAND YOUR CURRENT STATE

Build a comprehensive understanding of the consultancy's internal and external environment so all subsequent actions are based on clear evidence, not assumptions, and identifies both the firm's opportunities and challenges.

Core Activities

- ❖ **Conduct a SWOT analysis:** Evaluate the consultancy's internal strengths and weaknesses, as well as external opportunities and threats (CHR Strategy anonymised).
- ❖ **Apply Porter's Five Forces:** Assess industry competition, barriers to entry, and the bargaining power of clients and suppliers (Competitive Strategy).
- ❖ **Perform root cause analysis:** Use techniques such as the **5 Whys** or an **issue tree** to drill down into the core causes of problems like declining profitability or high employee turnover (Strategy v1).
- ❖ **Data gathering:** Collect quantitative data (e.g., financial performance) and qualitative insights (e.g., employee and client feedback).

Outputs

- ❖ **A diagnostic report:** A detailed account of the firm's market position, operational effectiveness, and competitive pressures.
- ❖ **SWOT insights:** A structured summary of internal and external factors affecting the consultancy.
- ❖ **Key problem statements:** Clear articulation of challenges needing resolution.

Note – you can't do this without talking to clients, ideal clients and leads that rejected you. The findings from this step inform the vision and strategic objectives by highlighting areas that require improvement and opportunities to capitalise on. For example, if talent retention is identified as an issue, this will influence the focus of the objectives.

Step 2

SET THE VISION AND STRATEGIC OBJECTIVES

Articulate a clear vision that inspires stakeholders and sets the strategic direction for the consultancy. This step also establishes measurable objectives that provide focus and accountability.

Core Activities

- ❖ **Define the vision:** Develop a compelling Unique Value Proposition that reflects the firm's aspirations and competitive positioning, e.g., becoming the most trusted partner in a specific niche.
- ❖ **Set SMART objectives:** Establish goals that are Specific, Measurable, Achievable, Relevant, and Time-bound, such as "increase EBITDA margins to 25% within three years."
- ❖ **Engage stakeholders:** Validate the vision and objectives through discussions with leadership, employees, key clients and advisors.

Outputs

- ❖ **A Unique Value Proposition**
- ❖ **Strategic objectives**

The vision defines the destination, while the objectives clarify what success looks like. These outputs guide the identification of focus areas by highlighting where resources should be allocated to achieve the objectives.

Step 3

DETERMINE STRATEGIC FOCUS AREAS

Prioritise the markets, client segments, and services that align with the consultancy's objectives and offer the greatest potential for success.

Core Activities

- ❖ **Segmentation:** Analyse the market to identify high-potential client segments or geographies. Use frameworks such as **Pareto analysis** to focus on the most impactful 20% of opportunities .
- ❖ **Competitive positioning:** Identify growing, high value market spaces where the firm can stand out in 3 years' time.
- ❖ **Risk assessment:** Use a **risk versus reward matrix** to ensure focus areas are viable and aligned with the firm's resources.
- ❖ **Outputs:**
- ❖ **Prioritised focus areas:** For example, "mid-sized biotech companies launching oncology products."
- ❖ **Client profiles:** Detailed descriptions of target clients, including their needs, decision-making processes, and pain points.

The focus areas shape the firm's approach to differentiation. For example, targeting SMEs with limited internal decision support will influence the development of a bespoke value proposition.

Step 4

DEFINE HOW TO WIN

Establish the consultancy's unique approach to achieving success in its chosen focus areas. This involves articulating how the firm will create value and differentiate itself from competitors.

Core Activities

- ❖ **Develop the value proposition:** Use a **value proposition canvas** to align the consultancy's offerings with client needs.
- ❖ **Identify differentiation:** Map the firm's competitive advantages using a **value curve** to show how it outperforms competitors on key metrics (Solic Strategy Draft 1...).
- ❖ **Gap analysis:** Identify any capabilities or resources that need to be developed to execute the strategy effectively.

Outputs

- ❖ **Value propositions:** E.g., "Integrated intelligence solutions tailored to SME biotech clients."
- ❖ **Differentiation strategy:** A clear understanding of what sets the firm apart, such as faster delivery or deeper insights.
- ❖ **Capability roadmap:** A prioritised list of skills, tools, or systems required to support the strategy.

The value proposition informs the operating model by defining what capabilities and resources are needed to deliver on the promise made to clients.

Step 5

BUILD THE OPERATING MODEL

Design the internal structures, processes, and systems that enable the consultancy to deliver its strategy effectively and efficiently.

Core Activities

- ❖ **Organisational alignment:** Restructure teams to support strategic goals, such as creating dedicated account teams for key clients.
- ❖ **Process optimisation:** Use lean methodologies to streamline workflows and improve efficiency.
- ❖ **Technology enablement:** Invest in tools like CRM systems, AI-powered analytics, or collaborative platforms to enhance productivity (CHR Strategy anonymised) (Solicis Strategy Draft 1...).

Outputs

- ❖ **Aligned operating model:** A structure that clearly defines roles, responsibilities, and workflows.
- ❖ **Optimised processes:** Streamlined client onboarding, reporting, and project delivery.
- ❖ **Technology roadmap:** A clear plan for adopting or upgrading tools to support the strategy.

With the operating model in place, the next step focuses on implementation planning to ensure the strategy is executed successfully.

Step 6

IMPLEMENTATION PLANNING

Translate the strategy into an actionable plan with clear milestones, responsibilities, and timelines.

Core Activities

- ❖ **Develop an action plan:** Break down strategic goals into specific tasks and assign responsibilities using a **Gantt chart** or similar tool.
- ❖ **Accountability mapping:** Use a **RACI matrix** to clarify who is responsible, accountable, consulted, and informed for each task.
- ❖ **Establish incentives:** Create performance-based rewards aligned with strategic goals.

Outputs

- ❖ **Action plan:** A detailed roadmap for implementing the strategy.
- ❖ **Milestones and timelines:** Clear checkpoints to monitor progress.
- ❖ **Incentive structure:** A system to motivate and align employees with the strategy.

The implementation plan lays the groundwork for execution and sets up the framework for monitoring and adapting the strategy.

Step 7

MONITOR AND ADAPT

Track progress against strategic objectives and adapt the plan as needed to respond to changes in the environment.

Core Activities

- ❖ **Establish KPIs:** Measure progress with metrics such as client satisfaction, revenue and margin growth, and employee engagement .
- ❖ **Create feedback loops:** Use regular reviews and client/employee surveys to gather insights.
- ❖ **Adapt strategy:** Create a cadence and regular reviews to use monitoring insights to adjust priorities, focus areas, or tactics.

Outputs

- ❖ **Performance dashboards:** Visual tools to track key metrics in real time.
- ❖ **Lessons learned reports:** Insights to inform future strategic planning.
- ❖ **Updated strategy:** Adjusted goals or initiatives based on real-world performance.

This final step ensures the strategy evolves to remain relevant, linking back to the diagnostic phase for continuous improvement.