Kernel of a good strategy - Why, How and What

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Having a well-defined strategy is crucial for success of a modern business. A good strategy should address the core problems or challenges faced by a business, provide guiding principles on how to tackle them, and be supported by the coherent actions and right resources. In this article, we will explore the core elements of a good strategy. We will also cover a specific example of a Software-as-a-Service (SaaS) Media Intelligence (MI) business that faced significant challenges and had to reinvent its product offerings to meet customer demands.

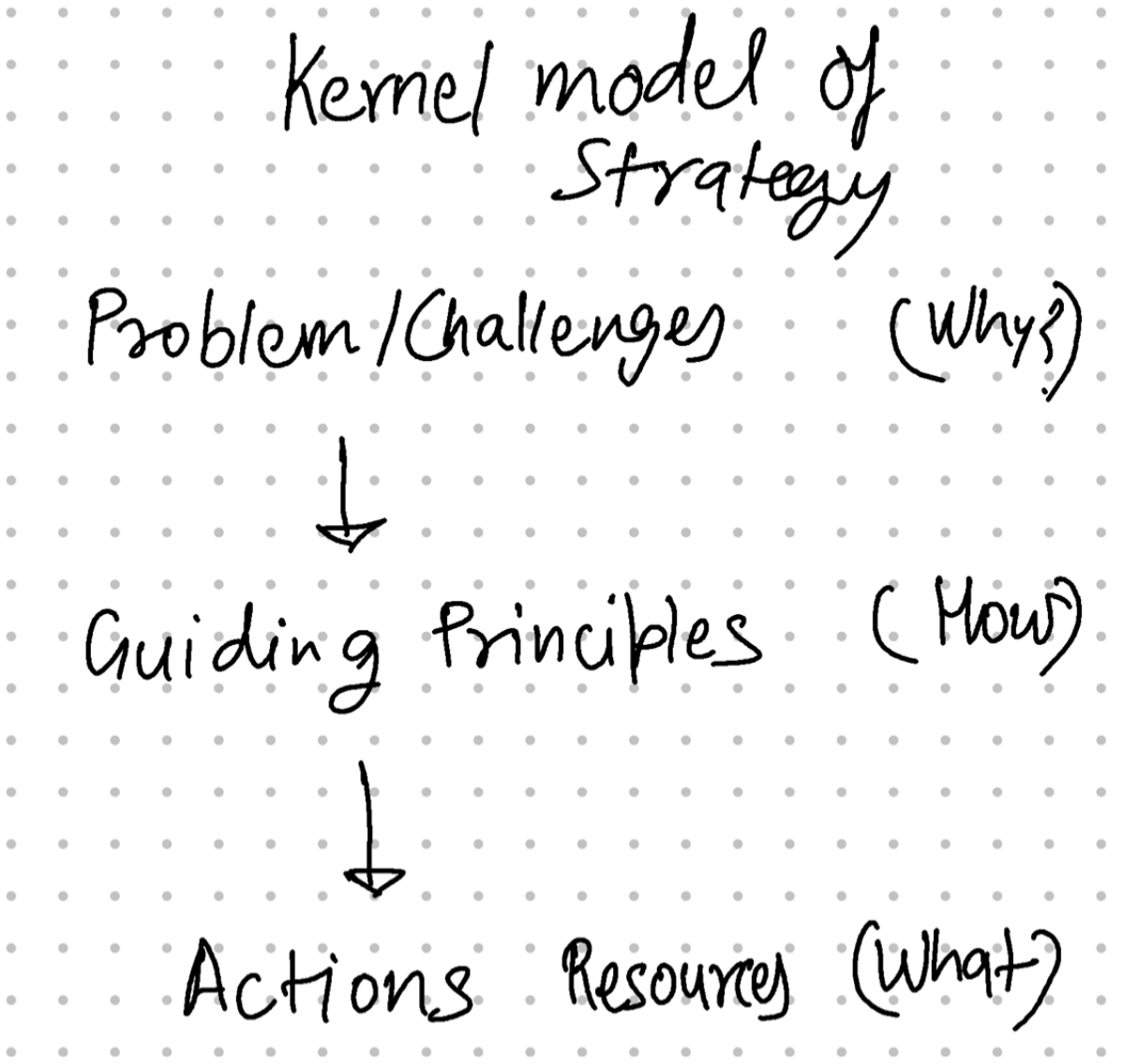

Figure 1: Elements of a good strategy - Why, How and What

The SaaS Media Intelligence business in question began as a press clipping service, providing customers with reports on media coverage. As the demand for real-time news updates grew, they ex-

panded their offerings to include broadcast and online monitoring. Despite being a SaaS business, they relied heavily on human intervention for media monitoring and customer service hence model become indefensible in a highly competitive market.

Articulating the Problems and Challenges (Why)

Identifying and clearly articulating the problems and challenges a business faces is a crucial step in developing an effective strategy.

In the case of the SaaS MI business, company was hemorrhaging market share and loosing customer to its competitors at unprecedented pace. Several key challenges emerged that needed to be addressed in order to overcome inertia and meet the needs of its customer to stop the churn.

1. One of the primary challenges faced by the business was the lack of self-service in their product offerings. Despite being a SaaS business, they heavily relied on human intervention for media monitoring and customer service. This created a bottleneck in their operations and hindered their ability to scale and meet the demands of a real-time news cycle. Customers were unable to access and analyze media data on their own, resulting in a slow and inefficient service delivery.
2. With the growing popularity of real-time news updates, the business struggled to keep up with the increasing data volume needs to be process by their platform. The manual processes involved in media monitoring, coupled with the lack of self-service, limited their ability to scale their operations effectively. This not only impacted their customer satisfaction but also hindered their growth potential in a highly competitive market.
3. The business initially started as a press clipping service, providing customers with reports on media coverage. While they expanded their offerings to include broadcast monitoring, their product offerings were rooted in a traditional model that required manual intervention and expert configuration. This approach was not suitable for self-service and automation, limiting their ability to innovate and adapt to changing customer expectations.
4. The business faced a tradeoff between velocity and quality in their product offerings. While their old model charged a premium for high-quality media coverage, it was slow and unable to keep up with the demands of real-time news. Customers increasingly preferred speed and timeliness over perfection, necessitating a shift in their approach. The challenge was to find a balance between delivering relevant information rapidly and maintaining a certain level of quality.
5. The business relied on search specialists to create complex boolean queries to determine the relevance of media coverage, resulting in a subjective and limited (high recall). This manual classification process hindered their ability to handle large volumes of data efficiently and constrained their growth potential. They needed a more objective and automated approach to classify media content and deliver relevant information to customers.

These challenges highlighted the need for a strategic transformation within the business. It was clear that simply automating their existing product offerings would not be sufficient. They needed to reinvent their products, adopt self-service capabilities, leverage automation and NLP technologies, and rebuild their infrastructure to meet the demands of the cloud-native landscape. By articulating these challenges, the business could develop guiding principles and actions to address them effectively and drive their strategy forward.

Providing Guiding Principles (How)

To address the challenges, the business required guiding principles to reshape their strategy. Guiding principles are foundational beliefs and values that guide an organization's actions and decisions. They provide a moral compass, shape culture, and drive success.

In case SaaS MI business, they identified three guiding principles to help them on their transformation journey and effectively select the right areas to focus on.

A key guiding principles was to prioritize velocity over quality. Their legacy operating model was slow yet offered high-quality media intelligence. This tradeoff needed to be reconsidered, as customers increasingly preferred speed and timeliness over perfection. The guiding principle was to develop products that could deliver relevant information rapidly.

Another guiding principle was the need for a hierarchy of relevance supported by Natural Language Processing (NLP) and Machine Learning (ML). Previously, the business relied on boolean experts to determine the relevance of media coverage. However, this approach was subjective and not scalable. By leveraging NLP, the business could automate the process and provide a more objective and efficient classification of media content.

The business also recognized the importance of guided self-service with a touch of automation. The goal was to empower customers to access and analyze media data on their own, without the need for any human involvement. By developing intuitive and user-friendly interfaces, combined with automated data processing, the business aimed to provide customers with greater control and flexibility.

Supported by the Right Actions and Resources (What)

Rebuilding the product one feature at a time was needed to meet customer expectations of self-service and preference for timeliness over perfection. Rebuild required move away from legacy systems and on-premise infrastructure, and embracing cloud technologies to enable the business to scale and adapt more effectively. By adopting cloud-native practices, business allowed for greater agility, scalability, and cost-efficiency, laying the foundation for future growth.

The right allocation of resources is essential for implementing a successful strategy. As business embarked on transforming their products to enable self-service capabilities, they redirected the savings from cutting the workforce working on manual clipping processes into technology teams, specifically product and engineering teams. This strategic allocation of resources acted as flywheel effect -further accelerated their transformational journey.

Liberating data was another critical aspect of the business's strategy. The vast amount of media data collected and analyzed by the business provided valuable insights that could be leveraged by customers and partners. By providing APIs and integrating with other platforms, the business was able to unlock the potential of their data, enabling customers and partners to derive more value from the service.

Continuously delivering new product experiences was the final component of the strategy. By adopting an iterative approach and embracing continuous delivery practices, the business provided customers with new features and improvements on a regular basis. Continuous delivery allowed business to better manage change in customer experience and uptake of new features.

Example Implementation and Results

The SaaS MI business began implementing their strategy by investing in the development of a self-service platform. This platform allowed customers to access real-time news updates, setup their own media monitoring preferences, and analyze data through a user-friendly interface. Automation and NLP technologies were integrated to provide relevant and timely information, replacing the need for extensive human involvement both on account management side and operations side.

The introduction of self-service capabilities in the SaaS MI business had a profound impact on the way customers reacted to breaking news in real-time. Prior to the implementation of self-service, customers had to wait for hours to receive updates on breaking news. This delay hindered their ability to respond quickly and make timely decisions based on the latest information. With the self-service capabilities in place, the dial shifted from merely providing data to empowering customers with insights and enabling them to take immediate action. Customers gained ability to react within minutes.

Furthermore, the business migrated its infrastructure to the cloud, leveraging the benefits of scalability, flexibility, and cost-efficiency. This transition enabled them to handle large volumes of data and increased demand without compromising performance or incurring significant overhead costs.

By liberating their data through APIs and integrations, the business opened up new opportunities for customers to leverage their media intelligence platform. This allowed for seamless integration with other PR and social media platforms, enabling customers as well partners to gain deeper insights, make more informed decisions, and take appropriate actions.

The continuous delivery of new product experiences became a core part of the business's operations. Through an agile development approach, the company was able to introduce new features and improvements at a rapid pace. Customer feedback and data analytics played a crucial role in shaping these product updates, ensuring that they aligned with customer needs and preferences.

As a result, the SaaS MI business was able to stabilize the customer churn. The self-service platform allowed them to scale their operations and meet the demands of a real-time news cycle. The prioritization of velocity over quality resonated with customers who valued timeliness and relevance. The integration of NLP technology and automation improved the efficiency and accuracy of media monitoring, reducing the need for human intervention.

Conclusion

By articulating the core problems or challenges, providing guiding principles, and implementing the right actions and resources, businesses can navigate complex landscapes and adapt to changing customer demands. The example of the SaaS MI business highlights the importance of reinvention, prioritizing velocity over quality, leveraging NLP, embracing self-service, rebuilding for the cloud-native landscape, liberating data, and continuously delivering new product experiences. By following this model, businesses can position themselves for growth and ensure long-term success in an ever-evolving marketplace.