



# Strategy Sketch

A visual tool that combines the ten elements of strategy in a structured and coherent way

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**“An organization’s strategy is its unique way of sustainable value creation.”**

This definition tells you that a strategy explains how an organization creates value for its customers in a way that is distinct from its competitors, and so that it can maintain this for a while.

This definition gives a bit of direction in understanding and generating your strategy. It helps focusing your attention and resources on value creation and on finding ways of doing that in a unique and sustainable way. But this is hardly enough because it doesn’t say anything about what strategy is composed of. So, it defines strategy from the outside, but doesn’t open up the black box to see what is inside strategy.

This document will guide you through navigating the abstract world of strategy planning.



To make strategy practical and executable that is exactly what we need to do: open up the black box and look at strategy's ingredients. The research I did revealed that there are exactly ten core elements of strategy. As it turns out, with less elements you miss out on some important parts, and adding more makes it unnecessarily complex.

In brief, they comprise of the following:

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- 1 **Resources & Competences:** What you have, what you are good at, and what makes you unique.
  - 2 **Partners:** Who you work with and who makes your products or services more valuable.
  - 3 **Customers & Needs:** The organizations and people you serve and which needs of them you fulfill.
  - 4 **Competitors:** Others that your customers will compare you to in deciding whether or not to buy your products or services.
  - 5 **Value Proposition:** What products and services you offer, how you offer them, and what added value they have for the customer.
  - 6 **Revenue Model:** What you receive in return for your offer, from whom, how, and when.
  - 7 **Risks & Costs:** What financial, social, and other risks and costs you bear and how you manage these.
  - 8 **Values & Goals:** What you want, where you want to go and what you find important.
  - 9 **Organizational Climate:** What your culture and structure look like and what is special about them.
  - 10 **Trends & Uncertainties:** What happens around you that affects your organization and what uncertainties you face.
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With ten elements, this is quite a list. But now you have all the key elements of your strategy. That's it. Together, they provide a more detailed and concrete idea of the meaning of the term strategy than just a definition.

As a list, it looks somewhat unstructured. Therefore, I've developed a visual tool that combines the ten elements in a structured and coherent way and which is depicted below: The Strategy Sketch.

**Download a printable version [here](#).**

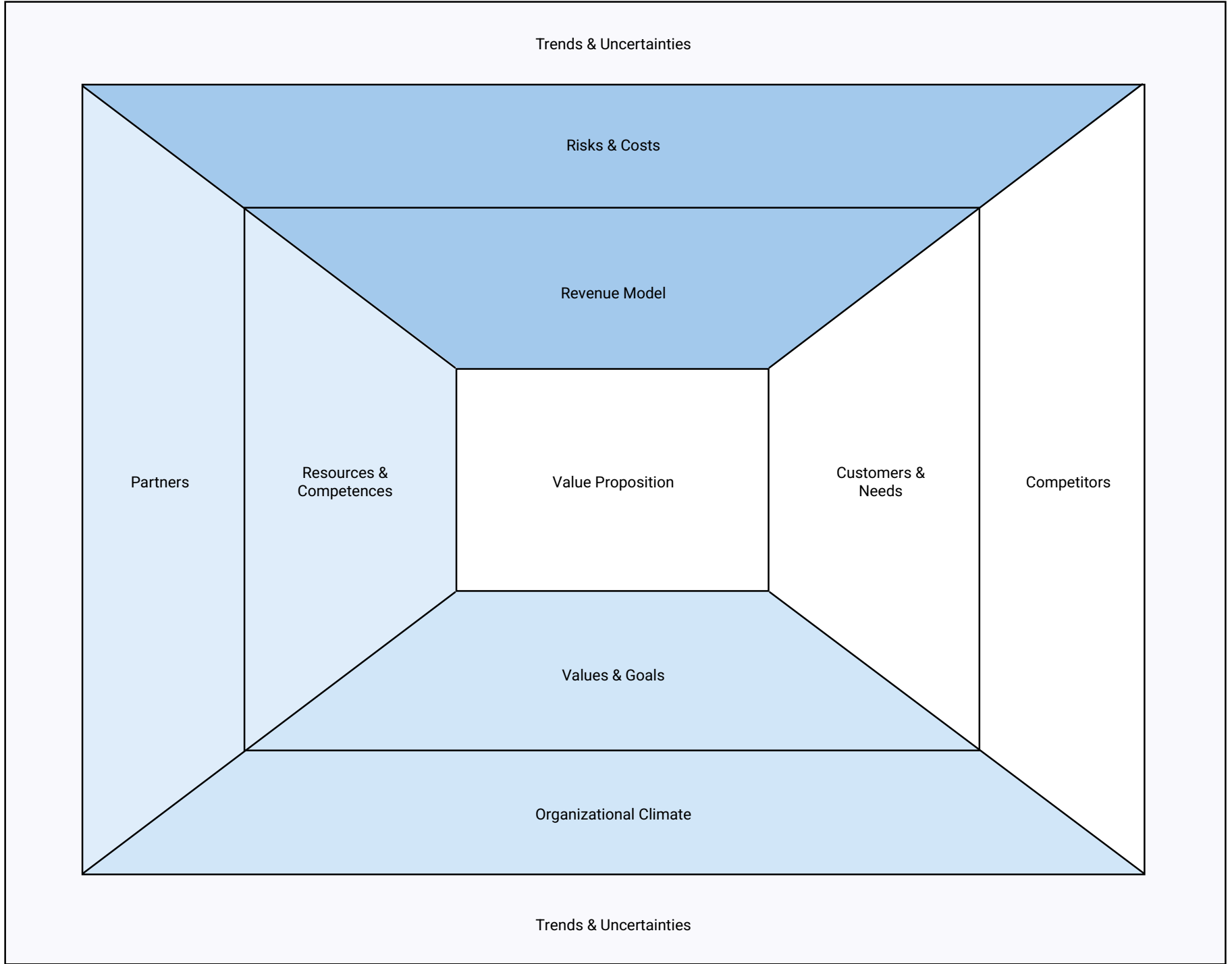


Date:

For:

By:

Strategy Sketch





## How to use the Strategy Sketch?

Using the Strategy Sketch is simple. You can use it for mapping out your status quo—your current strategy as it is reflected in the organisation’s day-to-day activities, but also to develop and create a new or improved strategy. And you can even use it to monitor changes within and outside your company on for example a monthly basis. This is how to do it:

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- 1 Get a handful of people together who are quite different and relevant for your strategy. You could also do this on your own, but variety usually helps.
  - 2 Print or draw the Strategy Sketch on a large sheet of paper. At least DIN A3 / Tabloid format, but bigger is better. Put it on a table or wall so that everyone can see it. You can also use it in a digital format using tools such as Mural.com or Miro.com. Download a pdf version [here](#).
  - 3 Map out your organization’s current strategy along all ten elements. Write down short statements directly on the paper or use sticky notes. Include both strengths and weaknesses and get as much written down as you can.
  - 4 Gather new ideas. These could be already existing ideas, but also newly generated ideas. Write these ideas down too, preferably using another color.
  - 5 Pick the three best ideas and develop them further on a clean Strategy Sketch. Build a complete Strategy Sketch that shows a coherent picture around these ideas.
  - 6 Take a step back and test your ideas in practice with customers, suppliers, employees, and others.
  - 7 Come back, evaluate, and repeat until your new strategy is ready to be executed.
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You might find yourself stuck while filling in the Strategy Sketch, particularly during step 3, 4 and 5. As such, the next pages are dedicated to explaining each element in more detail, and some additional questions to get you to filling in the Sketch as accurately as possible.



## 1 Resources & Competences

Although you could start by mapping any element of the Strategy Sketch, I personally prefer to start with *resources and competences*. This makes you first look at the organization itself and understand what you have, what you are good at, and what makes you unique.

In this way you start close to home with what you already have at your disposal. To get you started, here are some questions you should ask yourself in order to fill in this section of the sketch.

For assessing your *current* resources and competences:

Which means do you have that others don't?

What are you really good at that others can't do or find difficult?

What slack resources or unused capacity do you have access to?

What would you miss most when it is gone?

What competences allowed you to get or develop your current resources and competences?

For using or developing *new* resources and competences:

What else can you do with your resources and competences?

How can you make them more unique or valuable?

How can you protect them better against imitation?

What means can you easily obtain, but others not or with difficulty?

What resources or competences should you let go, outsource, or sell to others?



## 2 Partners

After identifying your resources and competences, a natural next step is to complete mapping your means by identifying your key partners. These are the people and organizations that you work with and that make your products or services more valuable. Here is another set of questions to determine the health of your partner/network.

For identifying your *current* partners:

With which organizations are there formal contracts?

Who does the organization depend on or frequently work with?

Which organizations support or help you most?

Who do you know? Who is in your own network or that of colleagues?

What useful contacts do your partners have?

For finding *new* partners or using them better:

What can your partners do more for you than they currently do? What unused means do they have?

Who benefits from your organization or has similar interests but doesn't work with you yet?

What organizations would you find attractive to work with?

And which ones would like to work with you?

Which partners are not beneficial for you and you are better off without?



### 3 Customer & Needs

At this point you have thoroughly mapped out your means in the Strategy Sketch, which brings us to the next step of mapping out the market side of the Sketch: your customers and their needs and your competitors. What customers do you serve and what need do you fulfill with your company should be fully answered here. Get started with the questions below:

For understanding your *current* customers:

What common characteristics do your customers have?

What people use or pay for the product/ service and who makes or influences the buying decisions?

What are these people's needs so that they can do what they need to do?

Which of their problems can or do you solve?

What are they willing to pay for?

For finding *new* customers or serving customers better:

Can you make your customers more loyal or buy more?

Do your customers have needs that you could also fulfill?

Who could your customers recommend you to or who else is within reach of your network?

Who is currently not yet served but would benefit from your product?

Which customers are you better off without? Who costs you more than you benefit?



## 4 Competitors

To complete the market side of the Strategy Sketch, the next element in line is competitors. Mapping them gives you a good understanding of who they are, how strong they are, and how you are different from them.

For understanding *current and potential* competitors:

What organizations offer similar products or services than you?

Who could easily start offering something similar?

Who offers products that substitute yours?

With whom or what will customers compare you?

Who makes your life most difficult and vice versa?

For finding ways to *avoid or benefit* from competitors:

Can you use your competitors' strengths to your advantage?

Who do you want your customers to compare you to?

How could you make your competitors irrelevant?

Where in or outside the industry is there less competition?

What competitors are beneficial for you? Can you join forces?





## 5 Value proposition

The core of your strategy is your value proposition. It reflects what products, services, and added value you offer and how you offer this to your customers. When describing your value proposition, do not try to be complete when describing the value of your products or services. Focus on the essence. Let the questions below help you formulate your value proposition.

For understanding your *current* value proposition(s):

What products or services do you offer?

What makes them different from those of others?

What value do they have for customers?

Why do people buy them?

What is special about them?

For developing *new* value proposition(s):

How can your products or services be made more valuable?

What features can you improve, expand, or add?

What products, services, or features can be downgraded, simplified, or dropped?

What related or complementary products or services can you offer that your customers also need?

How can they be made more accessible?



## 6 Revenue Model

With the first five elements we have covered those parts of your strategy that reveal how your organization creates value. This sixth element reflects what you get in return for this, from whom, and in what form. Although your customers might be the first you think of when it concerns payment, look at others as well. Basically, anyone who benefits from what you are offering is a possible candidate for paying you

For capturing your *current* revenue model:

Where does your revenue come from?

Which people or organizations pay?

For what do they pay?

How much do they pay?

How, or in what form do they pay?

For developing or finding *new* revenue models:

Can you change how customers pay, when, or for what?

Who benefits but doesn't pay yet or not enough? Can you let them pay?

Can you make your revenue less dependent on your efforts?

Can you turn products into services and vice versa?

What revenue streams should be dropped? Which ones are too complicated or don't bring enough?



## 7 Risk & Costs

Your strategy doesn't only come with revenue – it also involves risks and costs. So, when mapping your strategy, you also want to identify the financial, social, and other risks and costs you bear. You just mapped out your revenue model and value proposition, so for this section of the Sketch, compare your revenue model and how much value they add and how much costs and risks are involved. Is there sufficient value to cover the risks and the costs?

For assessing your *current* costs and risks:

For each other element:  
What risks and costs and are associated with it?

How large are these risks and costs and who bears them?

Which ones are necessary and which ones can be avoided?

What can you afford to invest or lose?

Is this more or less than you currently do?

For *diminishing* your costs and risks in the future:

Can you eliminate, reduce, or share some costs or risks?

Can you hedge or neutralize them by other elements of your strategy?

Can you transfer or outsource them to someone else?

Can you postpone costs, or make them variable instead of fixed?

Can you benefit from increasing some of the risks or costs you bear?



## 8 Values & goals

After mapping out the first seven elements you have a good sense of how your organization creates value and what it gets in return. The eighth element that is crucial in any strategy are your values and goals. These reflect what is important for the organization and where it should go in the future.

For explicating *actual* values and goals as they appear in actions and decisions:

For explicating *desired* values and goals for the future:

What criteria have been most decisive in key decisions so far?

What is really important for the organization? Why was it founded?

What has been achieved in the past three years?

Who are the organization's main stakeholders? What should the organization do for them?

If the organization continues what it is doing, where will it end up?

What long-term goals or ambitions would create excitement?

How would employees or outsiders describe the organization's values and goals?

What is the right thing to do for the organization? How can it make a better impact?

Are official values and goals shared throughout the organization?

What values or goals are hindering progress and should be adjusted?



## 9 Organizational Climate

Next to identifying the values and goals that drive the organization, you also need to understand the organization itself. Therefore, the next step is to map out the organizational climate – the structure and culture that are characteristic for the organization.

For assessing the *current* organizational climate:

How precisely and rigidly are tasks defined and how are they divided?

How is power divided and used and who is the most powerful?

How does communication take place? Who communicates with whom and about what?

What is characteristic of the organization?

What kind of symbols, rituals, or stories are frequently used?

For *changing and improving* the organizational climate:

What is the main thing that needs to be improved in terms of the questions in the left column?

What would the ideal culture or structure look like if you could build the organization from scratch?

What organization is a role model for yours?

What would be the first thing to drop or change about the organization's structure or culture?



## 10 Trends & Uncertainties

So far we have looked at the organization and its immediate surroundings – its partners, customers, and competitors. But also the broader environment is important for strategy generation. Therefore, as a last step, you should also pay attention to the trends and uncertainties in the organization's environment.

For assessing *current* trends and uncertainties:

What important trends are going on in the industry and society?

Which ones can you better deal with than competitors? And vice versa?

What will definitely change in the next few years?

Which are the biggest uncertainties the organization faces?

How uncertain is the environment of your organization? How dynamic and complex is it?

For finding ways to *respond* to them:

Can you find a way to benefit more from what goes on?

Can you move to a more favorable environment?

Can you make the organization less dependent on the trends and uncertainties it faces?

Can you exploit opportunities or turn a threat into an opportunity?

What does it take to exploit the opportunity? Do you have it or can you easily develop it?



## I am Jeroen Kraaijenbrink.

My belief is you are the expert in your line of business. What I do is listen and engage in a focused and structured dialogue where all viewpoints converge to help you find the answers.

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## Strategy planning and execution can be daunting and challenging, but it doesn't have to be.

Hop on a call with me to go through it together. We can see what actionable steps can be taken that can help you grow your business.



Learn more on [www.jeroenkraaijenbrink.com](http://www.jeroenkraaijenbrink.com)



Schedule a meeting with me on [Calendly](#)



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