

Client Case Insight: Corporate Strategy Development: ICT Group Convergence Products and Services Provider

A leading listed high technology group in South African, involved in the design, development, manufacture, installation and distribution of telecommunications and other electronic equipment, both locally and abroad, approached StratNovation to provide guidance on how to best position the group in global markets. At the holding company level, the opportunity presented would enable revenues and profits to grow through contributions from the subsidiaries operating in the current portfolio of industry sectors within which they had chosen and to ensure that each subsidiary would become internationally positioned to grow market share.

StratNovation was engaged to develop a corporate strategy that would grow the group into a global ICT convergence company as well as to review related subsidiary strategic plans to determine the alignment to the current corporate strategy.

Using the Balanced Scorecard framework to develop the corporate strategic objectives and strategic initiatives critical to the success of the group, each of the subsidiaries was provided with a clear strategic direction and priorities to enable each one to cascade the corporate strategy in a robust and aligned subsidiary strategy.

StratNovation thus developed a corporate strategy for the group's diverse portfolio of 25 companies, which provided strategic direction for the group and its subsidiaries, the outcome of which was clearly measurable in terms of objectives and targets. Supporting these strategic objectives were group-wide strategic initiatives that needed to be implemented to ensure that the targets agreed upon by the executive and senior management team were achieved.

To ensure that the strategy was effectively implemented, clearly defined responsibilities were assigned across the executive and senior management teams. These were unambiguously linked to targets and delivery dates of strategic initiatives / projects that had been agreed to.


The engagement resulted in a balanced set of strategic objectives, setting financial targets, customers and market segments to be penetrated, critical group business delivery processes, along with human resources and intellectual capital aspirations of the group.


A corporate strategy development engagement included:

1. An in-depth strategic analysis of historical corporate performance, including perceptions of stakeholder and / or shareholders;
2. An analysis of the subsidiaries, from a market, customer and financial perspective and how the alignment of the subsidiaries would contribute to the value of the group;
3. An external environment and internal analysis of the operations of the group;
4. An analysis of the blockages to performance within the group and the extent of the alignment of the organisational structure with the strategy;
5. An interactive workshop to develop and / or refine the corporate strategy;
6. Strategy implementation tools and reporting frameworks, including clarifying executive and senior management roles and responsibilities with regard to the implementation of the strategy; and
7. Strategic management and governance framework and tools to monitor, implement and evaluate the

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performance improvement trajectory.

The intervention, along with the strategic analysis undertaken during the engagement, revealed that the group would continue to grow driven by the subsidiaries, positioned to take advantage of high-growth markets with each of the subsidiary strategies reflecting on and ensuring performance that is aligned to that of the group.


The financial results for three years after the intervention manifested in the group enjoying a 21% increase in revenue and 32% increase in operating income over the previous year. Headline earnings per share increased by 45.5%, whilst the balance sheet reflected cash and cash equivalents in excess of R520 million, with a 34.9% return on equity being realised.

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