

# Seale & Associates

THE IMPORTANCE OF STRATEGY FOR ENGINEERING & CONSTRUCTION FIRMS  
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If you're looking to create, sustain, or change to grow a successful business in the engineering and/or construction fields, there's one aspect you should keep a close eye on and take an active role in:

# STRATEGY

## WHY?

For the past 40 years, I've been actively involved in strategy development for a range of different engineering and construction companies and their business units across the world. In this role, I've helped firms grow revenue and earnings per share, open new geographic regions for their services and establish themselves successfully in new markets.

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When a team works together to change to execute a pre-determined strategy to bring their vision to life, a few things can take place as a result:

- **MAJOR INCREASES IN ENTERPRISE VALUE**
- **IMPROVEMENTS IN MARKET POSITION**
- **INCREASED PROFITABILITY**
- **A SYSTEMATIC APPROACH TO LONG-TERM GROWTH**

By effectively carrying out the strategy with the right resources and personnel in place, the sky's the limit.

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**ON THE OTHER SIDE OF THE COIN, WHEN THINGS DON'T GO ACCORDING TO PLAN, THERE IS A LACK OF A PLAN, OR POOR EXECUTION TAKES PLACE, THIS LEADS TO SERIOUS FAILURE THAT CAN TAKE YOU TO A POINT OF NO RETURN.**

This can lead to loss of significant market value or even results in the dissolution of the company, whether through bankruptcy or sale.

## HOW DO YOU AVOID THIS FATE?

In my experience, all of these can be linked to a common set of factors – regardless of the markets, you're active in.

# FROM MY REAL-WORLD PERSPECTIVE, THESE FACTORS FALL INTO THREE MAJOR CATEGORIES REGARDING STRATEGY:

## 01

### LACK OF UNDERSTANDING OF WHAT STRATEGY IS

Start by gaining an understanding of what strategy is (and isn't) in the first place. At its essence, strategy is about making clear, difficult to reverse choices – and choosing what not to do. Have you done this? Are the choices you're making and the direction you're choosing well-articulated and clear? Is the "why" and the "what" well understood, and are they supported by your management team and employees? The 'right' strategy for which none of the leaders have a passion will fail. The whole process requires a high level of clarity and commitment that can only come from a passion to make it work.

Strategy should be considered business as usual and not something you do because it seems like a good idea – or because your board thinks you should have one. Long story short: passion and need for clarity on your business direction should dictate the need for a strategy. The strategy shouldn't just be a requirement to force on the organization.

## 02

### POOR STRATEGY DEVELOPMENT

The strategy should be based on an objective understanding of your markets, your clients, and your competitors. Additionally, developing the right strategy can only be done after an honest assessment of your business, its position in the market, capabilities, and true differentiators (not just what you think they are). Doing this will enable you to have a solid understanding of whether the plans and projections you're making are realistic and obtainable.

All businesses are NOT created equal - you must look at your business as a portfolio. This is critical in determining where to make investments of time, people, and money. Not only that, but you'll also need to be clear that you understand how your customers perceive you – and whether they'll allow your strategy to succeed!

## 03

### INSUFFICIENT EXECUTION

While teamwork and focusing on winning work are crucial – it's not the same as a winning strategy. Just using this as the basis of your strategy may work in the short term but without a true understanding of what's really needed to be successful – and how you'll develop the capabilities (and people) you need - it will only take you so far.

Many firms default to "we have the best people" or "our people are our most important asset" as the basis for their strategy. While your people are indeed critical, just saying it won't make it true! Without a plan for how you'll attract and retain the best people (and what best means in the context of your strategy), your strategy won't succeed.

Similarly, basing your strategic success on a (successful) acquisition rarely generates the results you expect – if this is the major element of your strategy, you'd better be crystal clear on your expectations and whether you have the resources to successfully integrate them into your business.



**Over the next several months, I'll be exploring and elaborating on each of these factors and providing some real-world examples and lessons learned on what to do and what to avoid so that you can develop a more effective strategy for your business.**

If you're concerned about your current strategic direction and can use pragmatic, experienced help to further develop your unique strategy and bring it to life, contact me at:

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