



★ S2 – Issue Two, Strategic Objectives – Articulate a Landing Pad

Series Two: Improving Decision Quality in Uncertain Environments

Most strategic business cases present a remarkably precise view of the future.

Detailed spreadsheets forecast costs, benefits, return on investment and implementation timelines. The outputs are often expressed as single numbers, sometimes to the nearest dollar, creating the impression that the expected outcome is both knowable and predictable.

Yet everyone involved in the discussion understands this is not how the future works.

Costs will vary. Benefits may arrive earlier or later than expected. Competitors will react. Customer behaviour will evolve. Technology may outperform expectations or fail to deliver as anticipated.

In reality, every strategic initiative is built upon assumptions and uncertainty.

The problem is that while organisations routinely debate expected returns, they rarely debate their appetite for the uncertainty surrounding those returns.

As a result, risk is often treated as a secondary consideration in strategic planning rather than a fundamental input into decision-making.

Understanding uncertainty at the strategic objective level is one of the most effective ways to improve strategic decisions. Yet most organisations continue to evaluate strategic initiatives as though uncertainty were an afterthought.

Core Insight

To define appetite for risk at the strategic objective level, organisations first need to understand the range of outcomes that may materialise, their confidence in those outcomes and the trade-offs they are prepared to make to achieve them.

Without a defined landing pad, strategic initiatives are often approved based on expected outcomes alone. With a landing pad, they can be evaluated based on expected outcomes, confidence and acceptable trade-offs.

Differentiating Strategic Objectives

I define strategic objectives as change initiatives intended to move the organisation from one operating state to another. This differs from business-as-usual objectives (even when strategically important) focused on maintaining operations. Strategic risk appetite focuses on creating value whilst operational risk appetite focuses on protecting value. Unsurprisingly, frameworks designed to manage one often struggle to evaluate the other.

Strategic Objective Uncertainty

The challenge is that strategic objectives are often assessed using a single expected return metric such as Net Present Value or Return on Investment.

This creates a false sense of precision and often disguises the uncertainty that will ultimately determine whether the initiative succeeds or fails.

Every major assumption within a business case carries uncertainty. Project costs, adoption rates, customer behaviour and implementation timelines are all better represented as ranges than fixed values. Consequently, the value delivered by a strategic objective is better represented as a distribution of outcomes than a single forecast.

It makes decision-making more realistic.

In practice, a small number of assumptions typically drive most of the uncertainty within a strategic initiative. Sensitivity analysis and relatively straightforward modelling techniques can identify these variables and quantify how they influence potential outcomes.

The question then becomes how to express appetite.

In my experience, the most effective approach is to require initiative sponsors to articulate a landing pad.

Rather than presenting a single expected return, sponsors define a high-confidence range of outcomes. For example, they may state that they have 90% confidence the initiative will deliver a return somewhere between 20% and 40%. The wider the landing pad, the greater the uncertainty. The narrower the landing pad, the greater the confidence. Confidence itself becomes a decision variable.

This changes the discussion significantly. Executives and Boards can now assess initiatives based not only on expected value, but also on the confidence associated with that value.

The temptation to inflate or understate projected benefits diminishes because uncertainty is explicitly articulated rather than hidden within a single forecast.

The same principle applies where benefits are less tangible. Sponsors can still articulate high-confidence upper and lower bounds for expected outcomes, allowing decision-makers to assess both value and confidence.

Strategic Objective Risk Trade-offs

Strategic risk appetite is not only about the return we seek. It is also about the trade-offs we are prepared to make to achieve it. More importantly, what are we not prepared to make?

Temporary customer disruption during a technology transformation may be acceptable. Compromising customer safety, breaching legal obligations or materially weakening cyber security may not be.

These boundaries should be clarified and documented before implementation begins, which will guide difficult decisions that may emerge during delivery.

Implications for Executives

For Boards and Executive teams, this approach introduces risk directly into the strategic planning process.

Rather than treating uncertainty as a qualitative discussion alongside the business case, uncertainty becomes embedded within the business case itself.

Instead of comparing initiatives solely on projected return, Boards can compare them on return, confidence and consequence:

- What will it cost?

- What value might it create?
- How confident are we that value will be realised?
- What trade-offs are we prepared to accept / not accept to achieve the objective

These are fundamentally better questions than simply asking which initiative has the highest forecast return.

Like most decision frameworks, this approach only works when accountability is real. If an initiative fails to achieve its lower confidence threshold, the business case should be considered not to have delivered as proposed and the sponsor held to account.

This encourages greater rigour during business case development and reduces the incentive to game stated benefits in order to secure funding.

Most importantly this approach creates a more meaningful discussion around strategic risk, strategic risk appetite and creates a more informed basis for strategic decision-making.

Practical Takeaways

If you want to improve strategic decision quality, start by articulating a landing pad for each major strategic objective.

Before approving a strategic initiative, ensure its landing pad is clearly articulated. Ask initiative sponsors to define:

- The investment required.
- The range of outcomes they expect to achieve.
- Their confidence in achieving those outcomes.
- The trade-offs they propose to accept / not accept to achieve the objective.

Holding the sponsor accountable to their strategic objective landing pad is the most effective way to ensure the integrity of upfront business cases.

This approach transforms strategic risk from an abstract concept into a practical decision-making variable. Strategic planning is not about predicting the future; it is about making better decisions because uncertainty has been made visible.