

BUREAU ST. JAMES

Position Paper / April 2026

The Strategy-Execution Disconnect

Why portfolio operators generate more strategy than they can execute, and what the neural network model offers instead.

James Smith

Founder and Principal, Bureau St. James

Oxford Said Business School, Executive MBA

© 2026 Bureau St. James. All rights reserved. This document is intended for institutional discussion only.

1. Executive Summary

Multi-brand portfolio operators occupy a unique position in the global consumer economy. Groups like Tapestry, Kering, LVMH, and Richemont hold portfolios of five to fifteen (or more) distinct brands, each with its own market position, creative direction, regional footprint, and operational tempo. The strategic complexity of running these portfolios is real. The response, almost universally, is to build centralised strategy teams at the group level. The logic is sound on paper: consolidate analytical capability, generate enterprise-wide insight, and push strategic direction across brands.

In practice, these teams produce more strategy than the organisation can absorb. Brand presidents retain P&L; authority. Regional managing directors control local execution. The centralised strategy team, no matter how talented, operates in a structural gap: it has responsibility for strategic coherence but no mechanism to enforce it. The result is a growing disconnect between the volume of strategic output and the pace of strategic execution.

This paper proposes an alternative architecture. Rather than concentrating strategy in a single group-level unit, portfolio operators should distribute strategy associates across the organisation, embedding them at the intersections between brands, regions, and functions. These associates report to a central Chief Strategy Officer but sit inside operating units, creating a neural network of strategic intelligence that flows in every direction. The model replaces the traditional hub-and-spoke with a mesh. It converts strategy from a deliverable into a connective tissue.

The gap is not a talent problem. It is an architecture problem. And architecture problems require structural solutions.

2. The Problem: Strategy Without Authority

Consider the standard operating model for a multi-brand consumer group. At the top sits a CEO or Executive Chairman. Below that, brand presidents (or CEOs) run individual houses with significant autonomy. Supporting them are group-level functions: finance, legal, HR, supply chain, technology, and, increasingly, strategy. The group strategy team is typically staffed with ex-consultants and MBA graduates. It reports to the CEO or a Chief Strategy Officer. Its mandate is broad: identify growth opportunities, evaluate M&A; targets, develop portfolio strategy, and align brand-level plans with group-level ambitions.

The problem emerges at the point of execution. Brand presidents are hired for their creative vision and commercial instincts. They protect their brand's autonomy fiercely, and rightly so: the value of a portfolio model depends on each brand maintaining a distinct identity, pricing architecture, and customer relationship. When a group strategy team arrives with a "portfolio synergy" initiative or a cross-brand digital transformation roadmap, the brand president's first question is practical: "Who is accountable for this hitting my numbers?" The answer, almost always, is that the strategy team owns the recommendation but not the outcome. The brand president owns the outcome but did not shape the recommendation.

This is not a failure of process. It is a structural misalignment. The strategy team has been given the mandate to think across the portfolio but no lever to act across it. It can analyse, present, and recommend. It cannot direct resources, shift headcount, or override a brand-level decision. The result is predictable: strategy decks multiply, alignment meetings proliferate, and execution remains fragmented.

In a single-brand company, this tension is manageable. The CEO can bridge strategy and execution directly. In a portfolio operator running a dozen brands across forty markets, the distance between strategic intent and operational reality is enormous. Every additional layer of governance adds latency. Every additional brand adds a veto point. The strategy team, positioned as a staff function without line authority, becomes a bottleneck rather than an accelerant.

Responsibility without authority is the defining structural flaw of centralised strategy in multi-brand operators.

3. The Silo Tax

When portfolio operators recognise the execution gap, the instinct is to add resources: more analysts, more strategy associates, a bigger team with broader scope. But adding headcount to a centralised strategy function does not solve the structural problem. It compounds it. Every new hire added to the group strategy team creates another node that must coordinate with brand teams, regional leaders, and functional heads before anything moves. The cost of coordination grows faster than the value of analysis.

Bureau St. James calls this dynamic the Disconnection Tax: the cumulative cost an organisation pays when its functions operate in structural isolation from one another. In the context of group strategy, the Disconnection Tax manifests in several ways. Duplicated analysis occurs when both the group strategy team and individual brand teams study the same market, reach similar conclusions independently, and produce competing recommendations. Misaligned timelines arise when strategic planning at the group level runs on an annual cycle while brand teams operate on seasonal or quarterly rhythms, creating perpetual desynchronisation. Translation loss compounds the problem as insights generated at the group level pass through multiple layers of interpretation before reaching the people who make daily decisions about product, pricing, and distribution.

The silo tax is not unique to strategy. It applies across every function that operates in a centralised model within a decentralised business. But strategy is especially vulnerable because its output is inherently intangible. Finance can point to closed books. Legal can point to signed contracts. Strategy points to slide decks, frameworks, and recommendations. When those recommendations do not convert to action, the function's credibility erodes. Senior leaders begin to question the value of the team. The team responds by producing more analysis to justify its existence. The cycle accelerates.

The deeper issue is that a centralised strategy team, by definition, sits outside the operating units it is meant to influence. It is structurally positioned as a service provider, not an embedded partner. It sees the organisation from above, which gives it breadth but costs it depth. It understands portfolio dynamics but misses the granular, daily realities that determine whether a strategic initiative actually works on the ground in Seoul, or Milan, or Dallas.

Adding strategy headcount to a silo does not reduce fragmentation. It increases the cost of fragmentation.

4. Positioning at Intersections

The most valuable strategic insight in a portfolio operator does not live inside any single brand. It lives at the borders: between Brand A and Brand B, between the EMEA region and APAC, between wholesale and direct-to-consumer, between creative and commercial. These intersection points are where portfolio-level value is created or destroyed. A pricing decision at one brand affects the positioning of another. A regional market entry by one house creates (or forecloses) opportunities for a sibling brand. A supply chain innovation in one division could transform margins in three others, if anyone knew about it.

Traditional strategy teams are not positioned to see these intersections clearly. They sit at the group level, looking down. They can identify high-level patterns, but they lack the embedded, day-to-day visibility needed to detect emerging opportunities at the edges. By the time a cross-brand insight makes it through the standard reporting cycle, the window for action may have already closed.

The alternative is to position strategic capability at the intersections themselves. Rather than asking a central team to survey the entire landscape from a single vantage point, place strategists at the points where information flows between units. A strategy associate embedded in the APAC regional team for a leather goods brand does not just serve that brand. They have line of sight into regional distribution dynamics, local competitor behaviour, and consumer preference shifts that affect every brand in the portfolio operating in that geography.

This is not a matrix organisation. Matrix structures attempt to solve the problem by giving individuals two reporting lines, which in practice means they serve two masters and satisfy neither. Intersection positioning is different. The strategy associate's primary loyalty is to the strategic network, not to the local operating unit. They are placed at the intersection not to serve local management but to observe, connect, and translate. Their value comes from what they see and how they relay it, not from their authority over local decisions.

Think of it this way: in a portfolio operator, the most expensive intelligence failures are not about what happens inside a brand. Brand teams generally know their own business. The failures are about what happens between brands: the cannibalisation nobody noticed, the shared supplier dependency nobody mapped, the consumer migration pattern nobody tracked across houses. Intersection positioning is designed to catch precisely these signals.

5. The Neural Network Model

The neural network model takes intersection positioning and gives it structure. Instead of a centralised strategy department, the portfolio operator deploys a distributed network of strategy associates embedded throughout the organisation. Each associate sits inside a specific operating context: a brand, a region, a function, or a cross-cutting initiative. They participate in local operations, attend local meetings, and develop deep contextual knowledge of their domain. Simultaneously, they maintain a reporting line to the central Chief Strategy Officer and participate in a structured network with every other embedded associate.

The analogy to biological neural networks is intentional. In a neural network, individual neurons are relatively simple. Their power comes from connectivity: the density and speed of signals passing between them. No single neuron "knows" the answer. The answer emerges from the pattern of activation across the network. Similarly, no single strategy associate needs to understand the entire portfolio. Each one holds a piece of the picture. The CSO and the network's communication protocols assemble the full view.

This model inverts the traditional information flow. In a centralised model, information flows upward from brands to the group strategy team, gets processed, and flows back down as recommendations. The cycle is slow, lossy, and unidirectional. In the neural network model, information flows laterally between embedded associates in real time. A strategy associate in Kering's APAC jewellery operation can share a competitive signal directly with a counterpart embedded in the European wholesale function. The CSO does not need to be the routing node for every signal. They set the strategic priorities, maintain the communication cadence, and synthesise the patterns that emerge from the network's collective intelligence.

The model also resolves the authority problem. Because strategy associates are embedded in operating units, they develop the relationships and contextual credibility needed to influence local decisions. They do not arrive from group headquarters with a slide deck and a mandate. They are already inside the room when decisions are being made. Their influence is advisory, not directive, but it is informed by a cross-portfolio perspective that no purely local operator possesses. Over time, brand leaders come to rely on this perspective precisely because it is offered by someone who understands their context, not by a distant analyst who has never visited their stores.

The neural network does not replace strategy leadership. It gives the CSO a nervous system.

6. Implementation Architecture

Making this model operational requires deliberate design across four dimensions: reporting structure, communication cadence, information architecture, and talent model.

Reporting Structure

Every strategy associate reports directly to the Chief Strategy Officer, regardless of where they are physically embedded. This is non-negotiable. If associates report to brand presidents or regional MDs, the network collapses into a set of disconnected local advisors. The CSO reporting line preserves the network's integrity and ensures that associates can share information across units without navigating local political constraints. Day-to-day, associates participate in the rhythms of their embedded unit. But their performance is evaluated by the CSO, and their career progression is managed through the strategy function.

Communication Cadence

The network operates on a structured cadence. Weekly intelligence briefs are shared laterally across all embedded associates and upward to the CSO. These are short, standardised documents: what happened this week in your domain that the rest of the network needs to know. Bi-weekly network calls bring all associates together for pattern recognition and cross-pollination. Monthly synthesis reports, prepared by the CSO's office using inputs from the full network, inform executive leadership. Quarterly strategy reviews replace the traditional annual planning cycle with a rolling, adaptive process.

Information Architecture

The network requires a shared information platform: a living repository where intelligence briefs, competitive signals, market data, and strategic hypotheses are stored and searchable. This is not a SharePoint site with folders. It is a structured, tagged, searchable knowledge base designed for rapid cross-referencing. When an associate in Tokyo files a brief about changing department store foot traffic patterns, an associate in Milan should be able to find it, contextualise it, and connect it to their own observations about European retail evolution. The platform is the network's memory. Without it, the network is just a group of smart people having conversations.

Talent Model

Strategy associates in this model need a specific profile. They must combine analytical rigour with relational intelligence. They need to be comfortable operating with high ambiguity, building trust with local leaders who did not hire them, and translating between strategic abstraction and operational specificity. The typical profile is three to seven years of experience, often with a mix of consulting and industry backgrounds. Rotation is built into the model: associates move between embedded positions every eighteen to twenty-four months, deepening their cross-portfolio perspective and preventing them from "going native" in any single unit.

Scale Considerations

For a portfolio operator running eight to twelve brands across three major regions, the model typically requires fifteen to twenty-five embedded strategy associates, plus a small central team (three to five people) supporting the CSO with synthesis, platform management, and network coordination. This is not dramatically larger than a typical centralised strategy team at a comparable organisation. The cost difference is in deployment, not headcount. The investment moves from a single concentrated team to a distributed network,

and the return shifts from volume of analysis to speed and accuracy of execution.

7. Neural Network Model vs. Traditional Strategy Team

The following table summarises the structural differences between the conventional centralised strategy function and the neural network model across six key dimensions.

Dimension	Traditional Strategy Team	Neural Network Model
Positioning	Centralised at group level, separate from operating units	Distributed, embedded at intersections across brands, regions, and functions
Information Flow	Vertical: upward from brands, processed centrally, pushed back down	Lateral and multi-directional: real-time signals between embedded nodes
Authority Model	Responsibility without authority; recommends but cannot enforce	Influence through proximity; credibility built by embedded presence
Execution Speed	Slow: insights pass through multiple layers before reaching operators	Fast: associates are in the room when decisions are made
Cross-Portfolio Visibility	Broad but shallow; relies on periodic reporting from brand teams	Deep and continuous; associates hold granular, real-time context
Talent Utilisation	Concentrated; analysts risk becoming detached from operations	Distributed with rotation; associates build cross-portfolio fluency

The comparison is not about one model being universally superior. Centralised strategy teams serve a purpose in organisations where decision-making is concentrated and the CEO can bridge strategy and execution personally. But in portfolio operators of meaningful scale, the structural distance between the group strategy function and the operating units where decisions happen is too great for a centralised model to close.

8. The Narrative Layer

Strategy that lives only in slide decks and spreadsheets has a structural limitation: it can inform but it cannot align. Alignment requires narrative. People do not execute frameworks. They execute stories they believe in. The most effective portfolio operators understand this instinctively. Each brand in their portfolio carries a distinct creative narrative, and the group itself operates under a meta-narrative about what the portfolio represents and where it is headed.

The neural network model creates a unique opportunity to build and maintain narrative coherence at scale. Because strategy associates are embedded throughout the organisation, they serve as carriers of the strategic narrative, translating it into language that resonates in each local context. The narrative does not change from brand to brand, but the way it is expressed does. A growth strategy framed as "premiumisation" at the group level might be articulated as "category authority" inside a jewellery brand and "experience elevation" inside a hospitality-adjacent concept. The underlying intent is identical. The local expression is tailored.

This narrative translation function is one of the highest-value contributions of the embedded strategy network. Without it, strategic narratives fracture as they move through the organisation. The CEO's vision, clearly articulated at the annual leadership meeting, arrives at the store level as a garbled set of KPIs stripped of context. Embedded associates prevent this decay by maintaining narrative fidelity while adapting expression. They are, in effect, the organisation's storytellers: not in a marketing sense, but in the sense of ensuring that every part of the organisation is operating inside the same strategic story.

Research on organisational execution consistently shows that the single greatest predictor of strategy execution is not analytical quality, resource allocation, or incentive alignment. It is shared understanding: the degree to which people across the organisation can articulate the strategy in their own words and connect it to their daily work. The neural network model, by distributing strategic narrators throughout the organisation, directly increases this shared understanding.

Narrative is not decoration on top of strategy. It is the mechanism through which strategy becomes executable.

9. Implications for the Portfolio Operator

Adopting the neural network model is not a reorganisation exercise. It is a fundamental shift in how the portfolio operator conceives of the strategy function. Several implications follow.

The CSO Role Changes

In the traditional model, the CSO is the chief analyst: the person who knows the most about the portfolio and presents the most comprehensive strategic view to the board. In the neural network model, the CSO is the chief connector: the person who designs the network, sets its priorities, maintains its cadence, and synthesises its outputs. This requires a different skill set. The CSO must be comfortable with ambiguity, skilled at pattern recognition across diverse inputs, and, above all, willing to let the network generate insight rather than trying to generate it alone.

Brand Autonomy is Preserved

One of the chief objections to any cross-portfolio initiative is that it threatens brand autonomy. The neural network model is explicitly designed to avoid this. Strategy associates do not arrive with mandates. They arrive with perspective. They influence through relationships, not authority. Brand presidents who initially resist embedded strategists typically become their strongest advocates once they experience the cross-portfolio intelligence flow firsthand. The associate becomes a valued source of insight that the brand president cannot get from their own team.

M&A; Integration Accelerates

Portfolio operators that acquire new brands face a persistent challenge: integrating the acquisition into the group's strategic fabric without destroying the brand's identity or momentum. The neural network provides a natural integration mechanism. Embedding a strategy associate in the acquired brand immediately connects it to the portfolio's intelligence flow. The associate learns the brand's context while simultaneously introducing it to the network's collective knowledge. Integration happens through connection, not through top-down process imposition.

Cost Structure Shifts, Not Inflates

The model does not require significantly more headcount than a traditional centralised strategy team of equivalent ambition. It requires a different deployment. Some roles that currently sit in the central team are redeployed to embedded positions. Some new hires are made to fill intersection points. The net cost delta is typically modest. The ROI difference, measured in strategy execution velocity, is substantial. Portfolio operators currently spend millions annually on strategy consulting engagements that produce recommendations nobody implements. Redirecting even a fraction of that spend toward building an internal neural network produces compounding returns.

10. Toward Sovereign Architecture

The strategy-execution disconnect is not inevitable. It is a design failure, and design failures can be corrected. The neural network model offers portfolio operators a structural alternative to the centralised strategy function that has dominated corporate practice for decades. It does not promise to eliminate complexity. Multi-brand operations across jurisdictions, channels, and consumer segments will always be complex. What it promises is that strategic intelligence will flow at the speed the business requires, not at the speed a centralised team can process it.

At Bureau St. James, this model sits within a broader framework we call Sovereign Architecture: the principle that organisations should own the structural conditions of their own strategic coherence rather than outsourcing them to consultancies or concentrating them in fragile, centralised units. Sovereign Architecture is not about building more. It is about building correctly: designing structures that generate alignment as a byproduct of their normal operation, rather than requiring constant managerial intervention to maintain it.

The neural network model is one expression of this principle. It applies specifically to the strategy function in large, multi-brand operators. Other expressions address governance, technology infrastructure, brand architecture, and operational design. The common thread is the same: stop treating organisational structure as an administrative necessity and start treating it as a strategic asset. The organisations that figure this out will not just generate better strategy. They will execute it.

Bureau St. James advises multi-brand consumer and retail operators on structural strategy, portfolio architecture, and operational design. For inquiries: james@bureaustjames.com

This paper draws on research originally conducted at Oxford Said Business School on the structural positioning of internal strategy teams in large organisations, adapted here for the multi-brand portfolio operator context.

© 2026 Bureau St. James. All rights reserved.