

Strategy



Bulletproof real-time
data, ai, and quantum.

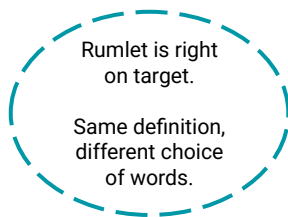
defense | financial services | legal | manufacturing

Q: Why do we study strategy?

*The study of strategy is intended to **improve performance**.* - Richard P. Rumelt.

A slightly different articulation (this author's) might be:

*The study of strategy is intended to **improve outcomes**.*



Rumelt is right
on target.

Same definition,
different choice
of words.



"Strategy 101 is about choices; you can't be all things to all people" –

Michael Porter

See von Clausewitz

"There is nothing so useless as doing efficiently that which should not be done at all." - **Peter Drucker**

Also see von Clausewitz

"Strategy is the economy of forces." – **von Clausewitz**

Economy of Force is so important, it's a tenet, principle, in many militaries

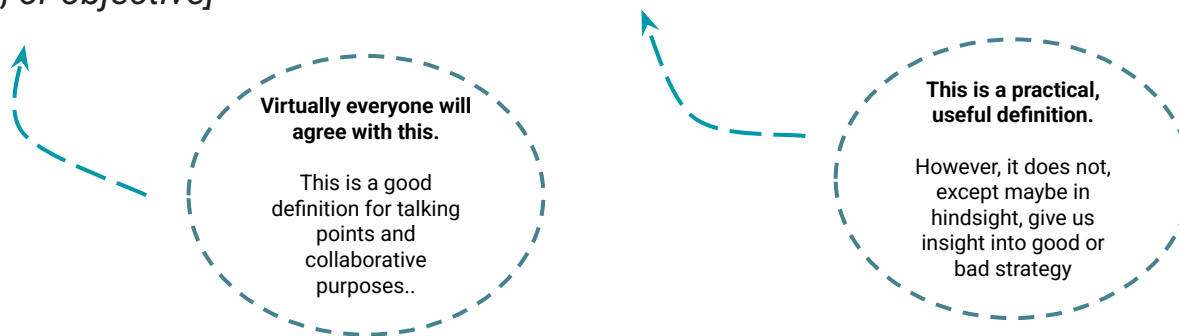
This implies some sort of alignment...

"If you don't know where you are going, you'll end up someplace else." – **Yogi Berra**

If all else fails, this one is just difficult to argue with.

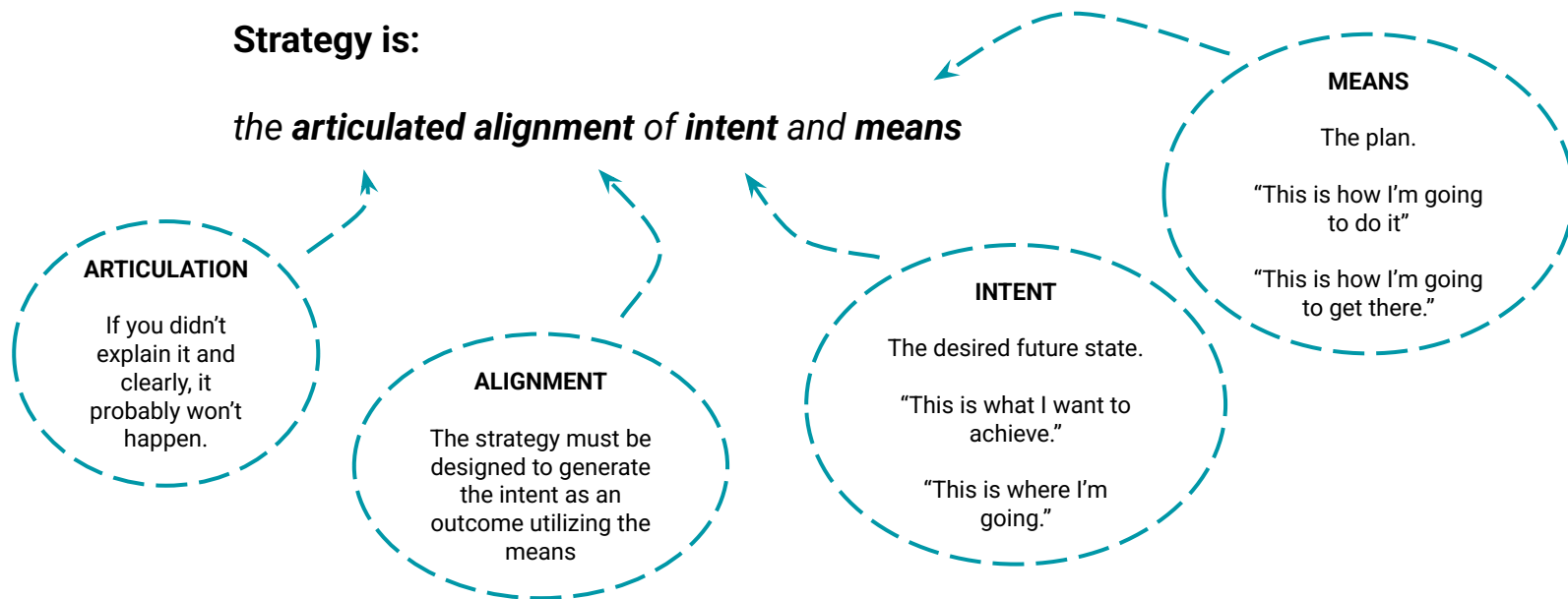
Strategy, a dictionary definition:

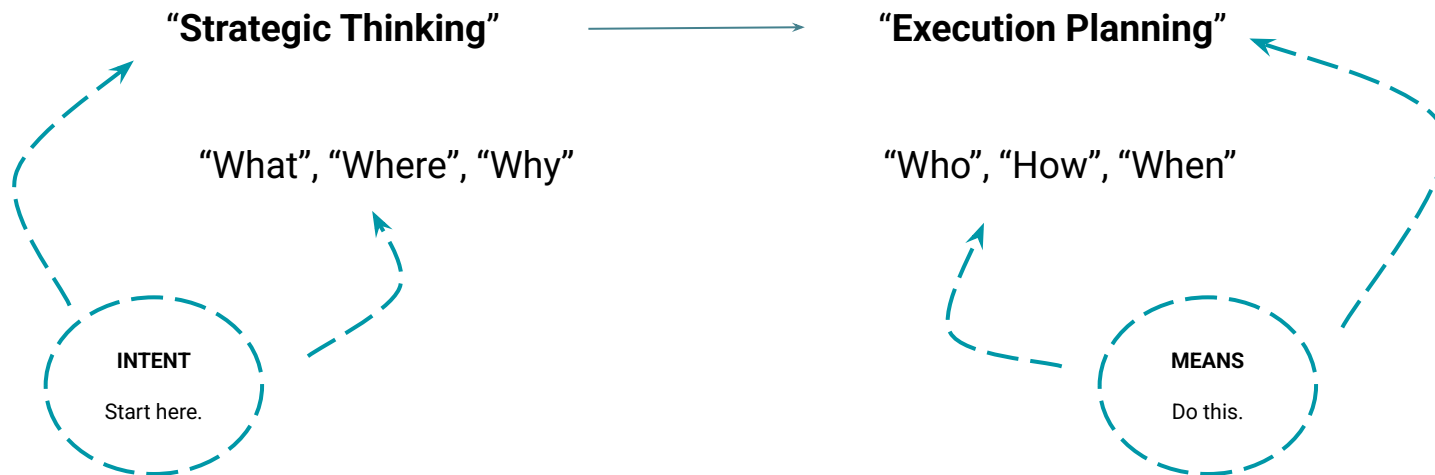
*a plan of action or policy designed to achieve a major or overall aim
[vision, mission, or objective]*



Strategy is:

the articulated alignment of intent and means





“Strategic Thinking”

SWOT Analysis
Market Gap Analysis
Brainstorming, Ideation

All optional!

Any reasonable toolset will do

Adjustment.

This is why “Measurement” is important.

Note where this is pointing to.

“Execution Planning”

Intent	Vision Mission Principles	Foundational Directional Grounding
	Objectives	Defined OKRs
Means	Execution Plan	Incl. Summary Statement Organizational Architecture Roadmaps Measurement (KPIs?)

Progressively more detailed, and more tactical.

OKRs are easy to understand.

KPIs are useful units of measure, but they are not actual objectives..

“Strategic Thinking”

SWOT Analysis
Market Gap Analysis
Brainstorming, Ideation

- Always some combination of structured and unstructured thinking and collaboration.
- Numerous tools exist like SWOT, Balanced Scorecard, PESTLE, BCG Growth-Share Matrix, Ansoff matrix, Force Field Analysis, McKinsey 7S, and Scenario Planning.
- The goal is to generate ideas that can be tested, built, adjusted, and then run or discarded. It is normal to discard many ideas.

"Intent"

Vision
Mission
Principles

Great example,
because they **may**
have gotten it
backwards.

- Vision is a concise (really!) statement of an organization's **long-term** aspirations.
- **Amazon:** "to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online"
- **Tesla:** "to create the most compelling car company of the 21st century by driving the world's transition to electric vehicles"
- **machine61:** "to bring world-class success to the world's newest companies and entrepreneurs"

“Intent”

Vision
Mission
Principles

Tesla **may** have gotten this backwards, but it works for them because in aggregate It's still sufficiently grounding.

- Mission is also a concise (really!) statement of what an organization is **doing now** to further its vision.
- **Amazon:** "be Earth's most customer-centric company"
- **Tesla:** "to accelerate the world's transition to sustainable energy"
- **machine61:** "to rapidly deliver strategic and technology centric change free of monolithic legacy practices, costs, and timelines"

“Strategic Thinking”**“Execution Planning”****Ideas****Simulation****Proof(s)-of-Concept****Launch Platform**

Products/Services

Paper Exercises

Limited Cost Exercise

Working Product

Business Models

Historical Research

End-to-End Test

End-to-End Operation

New Efficiencies

Simulators

Scaling not an a concern


Transition to scale architecture

Establishing goals or objectives (intent) without a plan / methodology (means)

This is uncanningly common in boardrooms and “all hands” meetings. Typically, a recap of the last quarter or the last year is played out using a slidedeck with statements of the current market or competitive landscape. Afterwards new goals are set, people may be assigned, and the meeting is adjourned without a concrete plan.

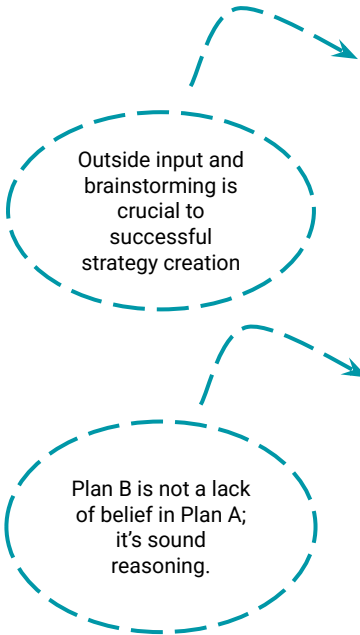
Lack of focus or prioritization

Strategies that are overly broad, vague, or try to accomplish too many things almost always fail can be difficult or impossible to execute. This is often a symptom of not knowing the answer to, “What matters?” The solution is often ask that question. If the reply is, “To what”, it’s time to revisit the vision and mission statements, and the organization’s principles.



Most common misstep, even in experienced teams

If you don't know what matters you can't build a good strategy



Outside input and brainstorming is crucial to successful strategy creation

Developing a strategy without sufficient input or review

Strategies developed in a vacuum are prone to blind spots. There may be lack of buy-in from executives and/or staff. This is a typical mistake often triggered by tight timelines imposed by a board, lack of executive confidence in their abilities, or lack of the trust in executives and/or staff. Successful CEOs cultivate strong, trusted advisory relationships with experts, other seasoned CEOs, and their team.

Plan B is not a lack of belief in Plan A; it's sound reasoning.

No provision for change

"No plan survives first contact," is a popular military credo. "Everyone has a plan until they get punched in the face," was popularized by boxer Mike Tyson.

You will discover things along the way. Things will change- market conditions, credit and interest rates, investor appetite for risk. Competitors will emerge. Key people go away. Technology fails or is late; epidemics, hackers, supply chains, and war.


***"Governance** refers to the system of rules, practices, and processes by which an organization is directed and controlled."* - A useful, generally accepted definition

Governance is (just about) last in this deck because **Governance always comes last.**



**Governance isn't
separate from
strategy.**

It's a necessary
ingredient of the
means in any good
strategy



Governance is last
because **you can't
govern what you
haven't defined.**



"Culture eats strategy for breakfast." - not **Peter Drucker**.

Really. Not Peter Drucker. Though, he's thought to have contributed.

Translation: Without strong personal **commitment** and willful, skilled **execution**, strategy is just wishful thinking.

When things get hard,
when gaps emerge,
determination and
psychology become
important success
determinants

Execution is
delivery.

Thank You!


We hope this presentation is helpful, encouraging, and adds to your success!

Further Reading (in best read order)

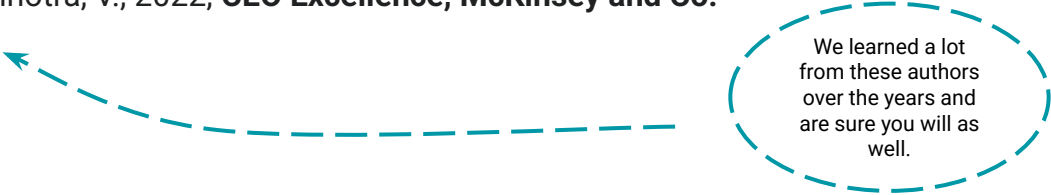
Rumelt, R., 2011, **Good Strategy/Bad Strategy: The Difference and Why it Matters**, Crown Business

Rumelt, R., 2022, **The Crux: How Leaders Become Strategists**, Public Affairs

Dewar, C., Kellar, S. Malhotra, V., 2022, **CEO Excellence**, McKinsey and Co.



Reach out for
more
information.



We learned a lot
from these authors
over the years and
are sure you will as
well.

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