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# Strategy

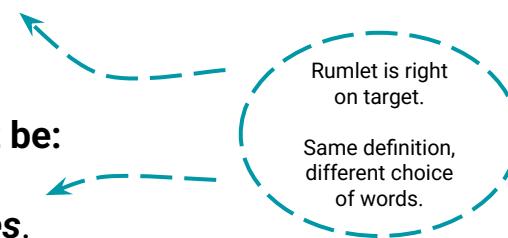


**Q: Why do we study strategy?**

*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.

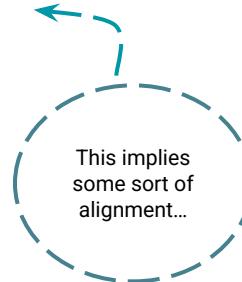
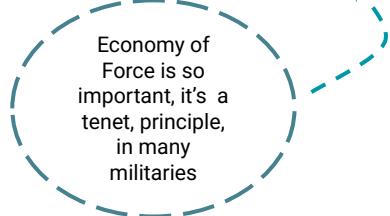


## What is Strategy?

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



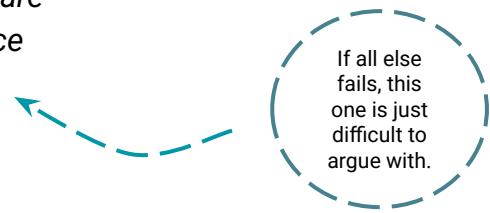
*"Strategy is the economy of forces."* – **von Clausewitz**



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



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





## Strategy, a dictionary definition:

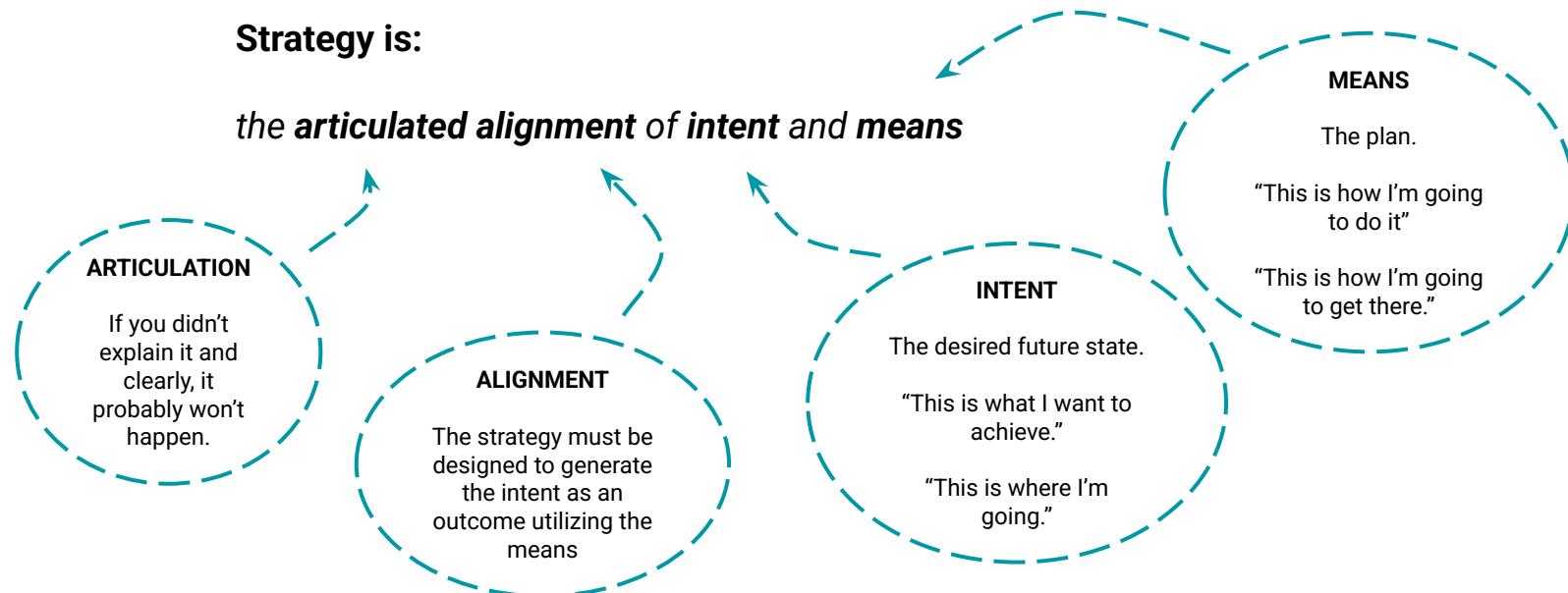
*a plan of action or policy designed to achieve a major or overall aim  
[vision, mission, or objective]*

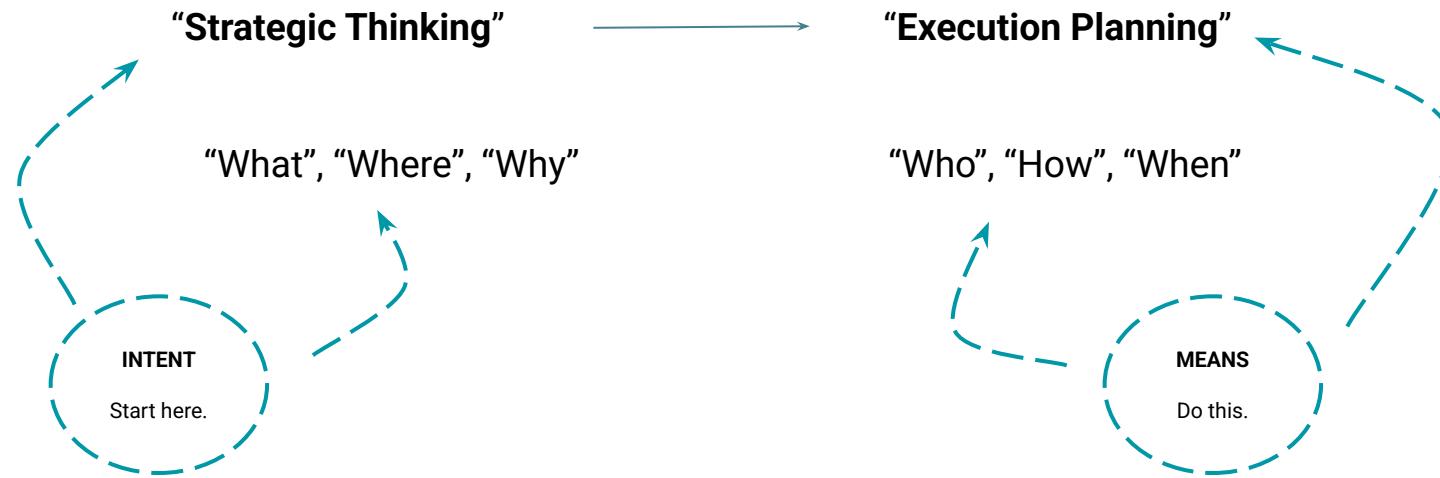




**Strategy is:**

***the articulated alignment of intent and means***







## The Breakdown (full)

### “Strategic Thinking”

SWOT Analysis
Market Gap Analysis
Brainstorming, Ideation



### “Execution Planning”

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

All optional!

Any reasonable toolset will do

Adjustment.

This is why “Measurement” is important.

Note where this is pointing to.

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

- 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"

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



#### “Intent”

Vision
<b>Mission</b>
Principles

- 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"

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



## “Strategic Thinking”



## “Execution Planning”

### Ideas

Products/Services
Business Models
New Efficiencies

### Simulation

Paper Exercises
Historical Research
Simulators

### Proof(s)-of-Concept

Limited Cost Exercise
End-to-End Test
Scaling not an a concern

### Launch Platform

Working Product
End-to-End Operation
Transition to scale architecture



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

This is uncannily 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.

Most common misstep, even in experienced teams

## 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.

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



## Developing a strategy without sufficient input or review

Outside input and brainstorming is crucial to successful strategy creation

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.**





*“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.



## Salvatore A. Magnone

Senior Advisor

[sal@machine61.net](mailto:sal@machine61.net)

<https://www.linkedin.com/in/salmagnone/>

## machine61 llc.

[www.machine61.net](http://www.machine61.net)