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Key Word Tags	Stay in Business, Disruptive Forces	

## INTRODUCTION TO STRATEGY

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Quick Summary: Clearly developed and implemented strategies are the key to the success of every business.

### Abstract:

*Often, company strategies are thought of as staff functions that become the focus of attention only after tactical revenue generation topics are resolved. The major exceptions are when revenue falls well behind the forecast, and the fundamental strategy that is the basis of the forecasts is called to question. At that point, it is quickly realized that strategy is the key component of meeting the first principle of business, which is to stay in business.*

As with the other chapters in this section, entire college courses, books, and consultants specialize in defining company strategies. As with other chapters, the articles in this section only cover a few selected topics. Establishing and executing viable strategic plans is the most critical aspect of meeting the first principle of this entire series: Stay in Business. As discussed in Principle One, the fundamental notion is that someone will put you out of business. The only question you need to answer is, will it be you or someone else? Your strategy and its effective execution will determine the answer to that question. Unfortunately, many companies unconsciously make the wrong decision and do go out of business. As described in chapter 2.02 of this series, business failure is the norm and not the exception.

The key to long-term success is the establishment of viable strategies that allow a company to grow and morph in response to changes in markets and the competitive landscape. The seemingly ever-increasing rate of change and the number of disruptive technologies and business approaches requires that companies in every sector constantly consider ways to keep themselves relevant. Most of the 27 articles in the five sections of this chapter deal with that particular aspect of strategy.

### Chapter Sections and Summaries

#### 1. Basic Concepts

Step back and understand that tactics and strategy are part of the same business-planning continuum, and their impacts on each other need to be considered simultaneously.

#### 2. Customer Considerations

It is easy to focus on internal issues during the development of strategies. Never forget that the focus must always be on the customer.

#### 3. Set the Rules

Quite simply, avoid fair fights. Always think about how you can change the rules of engagement. Fair fights mean that you could lose 50% of the time!

4. Resource Optimization

Develop strategies based on the actual available resources. Learn to play the cards you are dealt.

5. Pitfalls and Derailments

The only thing that is certain is that your plan will encounter unforeseen issues and events. Think about what could happen and develop contingencies accordingly.

### Chapter Articles and Summaries

#### Introduction to Strategy

Clearly developed and implemented strategies are the key to the success of every business.

#### It's a Continuum

Think about the strategic implications of every tactical activity and vice versa.

#### Equal But Not Separate

Separating tactics and strategy but treating them as equals generally causes severe consequences.

#### Methodical Strategic Innovation

Use a methodical approach when strategic planning to help make conscious business decisions.

#### Set the Stage

Ask some basic questions before formulating this year's strategy.

#### Strategy Blink Test

To avoid envisioning a bright but unrealistic future, ask hard questions during strategy formulation.

#### Don't Watch the Kernels Pop

Let others worry about keeping the trains running on time while you plan other destinations.

#### It's Strategic Isn't

Strategic plans need to be based on some simple, objective, and consistent criteria.

#### The Most Important Factor

Strategies need to focus on ensuring that customers actually experience value.

#### What Customers Want

Build your strategy on what the customer clearly wants, not what you want.

#### What You Want

Build your strategies on what the customer wants, but also consider your needs.

#### Avoid Fair Fights

Fair fights imply equal odds of winning and losing. Figure out how to tip the odds in your favor.

**Be Careful of Game Films**

Studying the past is useful, but remember, future events will unfold differently than expected.

**The Same But Different**

Build optional capability into your offerings, but then carefully release it.

**Share the Vision**

Explaining why you intend to follow a particular path is critical to gain support.

**Work Backwards**

Starting with the end goal, look backward to determine what is needed and when.

**The Resource Battle**

Resources are always in short supply. Focus on de-risking your approach to gain acceptance.

**Feed the Weak**

Reallocate resources from stronger elements to the weakest element to increase overall resilience.

**Match Don't Build**

Examine outsourcing tasks first and only apply internal resources if no alternatives can be found.

**What Just Happened**

Unplanned events invariably occur. Think about what could happen and how you will respond.

**44 Weeks in a Year**

Take into account that with a few exceptions, purchases are not made linearly throughout the year.

**A 4 Week Slip Always Impacts December**

Identifying potential alternative actions to avoid missing a forecast should be part of the strategy.

**Blindsided**

Confidence in your core assumptions and position may be misplaced leading to negative surprises.

**Bob and Weave**

Game plans and strategies need to be flexible to accommodate variations that are likely to occur.

**Failure Root Causes**

Ego, timing, and execution are three major root causes of strategy failures that can be avoided.

**Off-Site Can Be Off-Base**

Well-intentioned strategic activities always have a lower priority than daily routine activities.

**A Voice Crying in the Wilderness**

Strategic plans often are viewed as putting the status quo at risk, causing resistance.