

Will someone please define strategy!



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There are a gazillion books in my local business school library with the word 'strategic' or 'strategy' in the title. Open the book, and nowhere will you find a specific perspective on what strategy actually is. The largest selling textbook in Europe does offer a definition, but I'm not sure that I agree with it.

An exploration

That textbook is 'Exploring Strategy', a title which is most befitting the field where there are usually no definitive answers although templates abound, from the basic SWOT analysis to the mind-numbing models that emanate from hours of dedicated thinking by people with lots of time on their hands. We could, and often do, appropriately call them great thinkers. So, the word 'exploring' is a most appropriate one.

Before I get to the definition proposed in this book (and torture it until it confesses), these are the definitions that the authors offer as a comparison.[1]

They are careful to just put them up as alternative definitions as opposed to critiquing them or blatantly admitting that it's more rubbish by (leading) theorists that are admittedly respected in their fields. Rather than defining strategy, these are more a perspective held in certain circumstances at certain times. I will let you judge for yourself (my comments in brackets):

- Alfred D Chandler: 'Strategy is the determination of the long-run goals and objectives of an enterprise and the adoption of courses of action and the allocation of resource [sic] necessary for carrying out these goals.' (No, a strategy sometimes needs to be developed for what we should have started yesterday. Strategy is not limited to the 'long-run').
- Michael Porter: 'Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value.' (This sounds like being gay and deciding to come out of the closet).
- Henry Mintzberg: 'Strategy is a pattern in a stream of decisions.' (No, sometimes the elements of strategy can look like someone threw a can of paint against the wall and although I am all for a strategy being elegantly simple, sometimes a messy one devoid of any semblance of order is appropriate).

Their definition

The authors of 'Exploring Strategy' feel that each of the above points to an element of strategy, and that the definition needs to be a more comprehensive one. I agree. However I'm not sure that I concur with their proposed definition:

Strategy is the long-term direction of an organisation.

I'm going to save some time here, and offer an alternative definition, and then you can decide for yourself.

Firstly there is a hierarchy of: Problem-Objectives-Strategy-Tactics. In other words the problem needs to be correctly defined, the objective/s then set, strategies formulated and tactics executed. In that order, hence the hierarchy.

We are employed to solve a problem. The word is not used in the negative sense; a challenge if you prefer a more positive slant. If the problem is not correctly discovered and defined, the rest of the chain is somewhat academic. This first step (in my experience - I have no empirical evidence) is so often just taken at face value without looking at the issues below the surface that, if dealt with, will be the starting point of solving the problem effectively. Once we've defined the problem, then we can set appropriate objectives. The acronym SMART is a common one, although 'what' by 'when' will usually suffice.

The next element of the hierarchy is strategy. I believe (once again a personal opinion) that strategy can be defined by an even wider scope than offered above. It does not have to be long-term. Although a 'direction' would be an appropriate term, this is also somewhat limited.

Einstein in the navy

I like the South African Navy's definition of strategy: It is the application of ways and means to meet a specific objective (it is a little more convoluted, but basically that is what it says). It also omits the time frame which is a positive thing. If an Exocet missile is heading towards a ship the problem is clear (a missile is headed our way), the objective needs to be set (prevent it hitting our ship) the strategy would be to get it before it gets us and the tactics are unfortunately classified.

So, subject to the above hierarchy, the definition that would follow is:

Strategy is what is needed to meet objectives that are set from the (correctly identified) problem. Strategy is also a necessary precursor to tactics.

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The following has been attributed to Einstein:

If I had only one hour to save the world, I would spend fifty-five minutes defining the problem, and only five minutes finding the solution.[2]

And that highlights the most elusive element of strategy: finding out what the actual problem is.

References

- 1: Gerry Johnson, Richard Whittington, Kevan Scholes. Exploring Strategy, Text and Cases. Pearson Education, Ninth Edition 2011.
- 2. Dubious and unsubstantiated

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