

Spitting In the Wind:

A Single Obvious Insight to Focus and Sharpen Your Strategy

By Dov Gordon

1. Who ISN'T a brilliant strategist?	2
2. Don't Define it. Understand it!	3
3. The Context of Strategy: The missing link to becoming a superior strategist.	4
4. The Strategic Leadership and Management Pyramid	6
5. Case Study: The Four Seasons and the Culture of Service Distinct In Degree and In Kind.	8
6. Subtleties & Nuances: Details that Make the Difference.	11
7. The Limits of this Model.	17
Additional Resources	19

DOV GORDON helps senior executives make better, wiser decisions and quickly get things done. He is sought after for his perspective and advice on formulating and implementing strategy, developing an innovation culture and cultivating superior team work. Dov can be reached via his website www.GordonGroupEC.com, email dovgordon@gmail.com or phone: +972-2-992-0396.



**It's a cliché, but it's true:
Ask two people what strategy is and you get three answers.
This creates chaos in the board room, where we need clarity.
We need to avoid definitions of strategy and begin,
instead, to deeply understand it.**

1. Who *ISN'T* a brilliant strategist?

I remember reading that more than 90% of people believe that they are better looking and funnier than average; better drivers, too. It often seems that more than 90% of executives believe that they are better than average strategists. But can this really be so?

Many executives find themselves frustrated when leading strategic discussions. The deliberations take numerous turns, many – or even most – of which do not move forward. Like an infant who can't quite crawl, we reach for what we want and find that we have moved backwards or in circles. The loudest, most charismatic or most senior voices tend to dominate and these are not always the most informed and most objective. When there finally appears to be agreement – it is often mere submission.

When it comes to strategy, there is too much ego and not enough understanding.

We tend to become very attached to “our” ideas about how strategy should be formulated and we forget that there are objective tasks to be done.

The missing link in strategy is this: *We need to forget our definitions of strategy and begin to deeply understand what we are trying to accomplish.*

I was sitting with Richard, the COO of a \$130,000,000 distributor, discussing a problem they were having. “You know, Dov, yesterday I used your approach to strategy when presenting some ideas to the team,” he told me.

Since I hadn't yet shared anything with him personally but had sent him my audio book, I asked “Oh, did you listen to the audio book?”

“No. I just looked at the model. I am familiar with all that stuff already,” he said. “I studied strategy with Professor So-And-So who is widely considered to be the foremost strategic mind in the country.”

“Really,” I said, unimpressed. “With all that you know about strategy, I have one question for you. What is the difference between a strategy and a plan?”

“Strategy is the WHAT and a plan is the HOW,” he replied.

“You mean that strategy is a goal? It's a kind of vision? It's what you want to achieve?” I asked.

“No, it is more than just a goal. It is also what you plan to do to get there,” he said.

"So a strategy is both *what* you want to achieve and your *plan* for reaching your goals?" I asked.

Now he was stumped. And perplexed. Like so many others before him, I had quickly shown Richard that neither his MBA nor all he had learned from his prestigious professor helped him really understand this tool we call "strategy."

We often sit around the same board room table, debating strategy without a clear – let alone a common - understanding of what it is.

At a recent seminar on strategy, I began by asking the group, "So what is strategy, anyway?"

Two partners were seated in the back. One said "Strategy is where you want to get to. It's your big-picture goal." Simultaneously his partner blurted out that "Strategy is your plan for how you are going to reach your goals."

I couldn't have scripted a better demonstration of why the ideas that follow are so necessary.

2. Don't Define it. Understand it!

Any strategy formulation process should meet the following four criteria:

1. It should provide a big-picture context so that everyone knows what the mosaic will look like with all its tiles.
2. It should be simple yet sophisticated and flexible enough to handle the inevitable complexities.
3. It should help you zero in on the details and help you answer the four most fundamental strategic questions:
 - i. What products will we offer and not offer?
 - ii. What markets will we serve and not serve?
 - iii. How do our target markets need to perceive us in order to want to do business with us? [This leads you to your competitive advantage.]
 - iv. What key capabilities do we need in order to successfully create that perception so that our target market comes and buys our products and services?
4. It should leave you with a simple statement, no longer than six or eight pages, that everyone can read and understand what they therefore need to do next. If you end up with a book (as you will if you hire the major a strategy

firms) you have probably just engaged in glorified market research, not strategy.

The common approaches create more confusion than clarity. For example, here are three common ways of thinking about strategy:

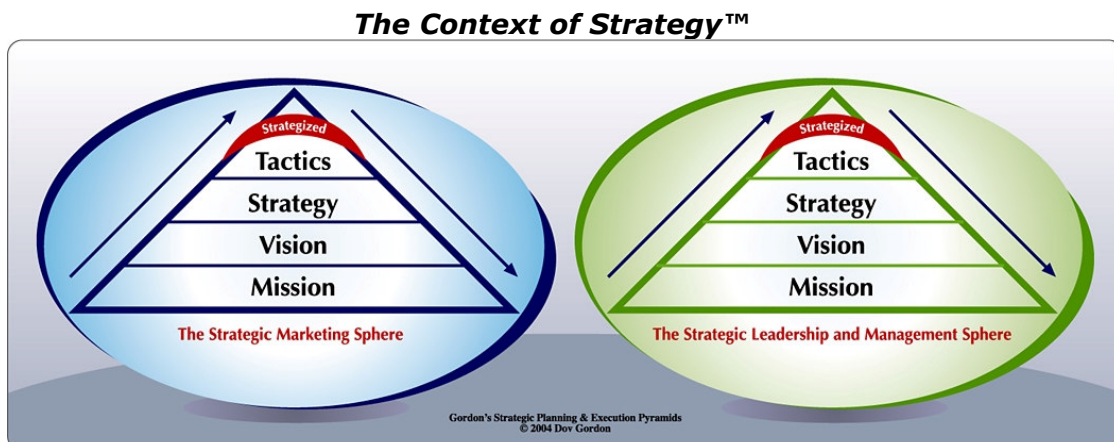
1. "[Strategy comprises] those policies and key decisions adopted by management that have major impacts on financial performance. These policies and decisions usually involve significant resource commitments and are not easily reversible."
2. "A strategy is a long term plan of action designed to achieve a particular goal, most often 'winning'. Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Strategies are used to make the problem or problems easier to understand and solve."
3. "Integrated actions in the pursuit of competitive advantage."

The first definition is just so much verbiage. The second sets up strategy and tactics as being differentiated by their degree of premeditation. (How do you measure that?!) The third certainly doesn't help us know what to do next and it confuses strategy and planning.

Fortunately, there is a smarter way.

3. The Context of Strategy: The missing link to becoming a superior strategist.

Strategy is an organizational tool used in a certain context. The first step to becoming a superior strategist is to understand that context. The second step is to always know where you are within that context so that you always know what to do next. This comes with practice. The third step is to drill down into each area and make the right decisions. We will address the first two areas in this paper and the third some time in the future.



These two pyramids are identical except for their titles. The left-hand pyramid deals with *The Strategic Marketing Sphere* – the company towards the outside, its target markets. The right-hand pyramid deals with *The Strategic Leadership and Management Sphere*, the company towards itself, its employees and capabilities.

The terms on this pyramid border on cliché. Yet they are grossly misused precisely because we give them definitions when definitions are incapable of capturing the whole picture. Instead of defining we will simply say that each of these concepts answers a question. When faced with a question, we know exactly what to do next: answer the question.

Let's begin with *The Strategic Marketing Sphere*, at the bottom left and follow the arrows.

Mission

Instead of defining "mission" we simply say that when we answer the following questions we have our "mission statement":

- What do I / we really care about?
- What do I / we really enjoy?
- Why are we uniquely qualified to do something about it?

Every organization must be based on core values, a reason for being. By answering these questions you have explained your reason for being and you have a mission statement. As simple as that. This is the foundation for every future decision and activity.

Vision

Vision answers these questions:

- *Where do we want to be at a particular point in the future? (One year? Three years? Five years? Etc.) Specifically:*
 - Which **products** do we want to be offering – and not offering? Why?
 - Which **markets** do we want to be serving – and not serving? Why?

Vision is like a picture on the wall. Look at it and describe what you see.

Strategy

Strategy answers this question:

- "For each target market, **how do they need to perceive us** in order to want to do business with us?"

Ultimately, we do or don't do business with people or companies because of how we perceive them. You will choose one restaurant for a quick bite to eat in the middle of your work day and another for a romantic anniversary dinner. You choose based on your perception of what each restaurant will give you.

Tactics

Tactics answers this question:

- *"What can we do to move from where we are today to a place where our target markets perceive us as the company they want to do business with?"*

Tactics would include anything from what features to include or exclude in your products to what marketing and sales tactics to use and not use.

If you push your way up the left side, you will automatically roll down the right side.

Beginning at the bottom left with a clear mission: *what is important to you and why you are uniquely qualified to do something about it.* That is your foundation for determining *what products you will offer to which markets.* (You have now moved up to vision.) A deep understanding of your target markets at the strategy level tells you *how they need to perceive you in order to want to do business with you.* (Strategy level.) If you choose your tactics (Tactical level) only after you have that deep understanding, *you will effortlessly roll down the right side.* Here's what it looks like...

The various marketing tactics you use will *lead your target markets to perceive you as the one they want to do business with.* (You are now down at the strategy level – you've created the required perception.)

They will therefore buy. (You are now down at the vision level. Vision, for the most part, is a sum total of many transactions.)

And as long as you are working on something that you believe to be important and valuable *you are fulfilling your mission.*

Simple, isn't it?

4. The Strategic Leadership and Management Pyramid

Let's take a look at the right-hand pyramid, *The Leadership and Management Sphere*, moving from bottom to top.

Mission is the same. One company has one mission.

Vision is also the same (What does it look like at a particular point in the future?) however we now add some detail to the picture. We now ask:

- *"What key capabilities do we need in order to successfully create the right perception [which will be our competitive advantage] so that those target markets will want to buy our products?"*

The answers to this question will help you clarify what kinds of people, talent, character, tools, machinery, locations, offices, etc. you need.

At the strategy level we ask essentially the same question as we did on the *Marketing* side. However on the *Leadership and Management* side, our target market is our internal constituents – our employees.

- We want to attract great people and we want them to perform at their peak, so... *"How do they need to perceive our company in order to be driven to perform at their peak?"*

Tactics refers to those dozens or hundreds of things we do to keep our organization ticking. What kinds of meetings do we have? What kinds of salaries do we pay? Do we stock our labs with cutting edge equipment or our competitor's throwaways? What kind of training do we provide? Etc. These and numerous other details influence how our employees perceive working for us. The question to ask is:

- *"What can we do so that the kinds of employees we want working here will perceive us as the place where they can excel?"*

Again, follow the arrows up the left side of the pyramid and you'll roll down the right side...

If our values and reason for existing are clear (Mission); and if we are clear as to what talent and capabilities we need to achieve the goals we set when working on *The Strategic Marketing Sphere* pyramid (Vision); and we develop a deep understanding of how those people need to perceive us in order to want to perform at their peak (Strategy); and if we then choose our policies and internal practices based on this Clarity, Clarity and Understanding, we will roll down the right side...

...Our management practices – our tactics – will lead top people to perceive us as a fantastic place to work. (Strategy.) Those people will join us and give it their all, building the key capabilities we need. (Vision.) Finally, as long as we are working on those things we deeply care about and enjoy, we are fulfilling our mission.

What we have here is a very simple "Context." This provides us a genuine understanding of what we are trying to accomplish with our strategy formulation.

We now understand what strategy really is – because we’ve asked all the right questions instead of trying to articulate just the right definition.

There’s more. Following the case study, we will review some subtle nuances that will deepen your understanding still further.

5. Case Study¹: The Four Seasons and the Culture of Service Distinct In Degree and In Kind.

The story is told about the wedding guest who arrived at a Four Seasons hotel only to discover that he was underdressed; the wedding was black tie. A low-level tuxedo-wearing manager realized that he was about the same size as the embarrassed and disappointed guest. On his own initiative, he took the guest to the in-house tailor who quickly made all the necessary adjustments so the guest could go on and enjoy the wedding. The truly amazing thing is that this is only one of many such stories told about the Four Seasons.

How does a company create a culture where its low-level employees take such an interest in the well being and satisfaction of the company’s clientele?

The Four Seasons Hotels and Resorts was founded in 1960 by Isadore “Issy” Sharp. Since then it has grown to a chain of more than 70 hotels and resorts in more than 31 countries. They are widely considered to be the most exclusive chain of hotels and resorts. For more than 21 years now their hotels have consistently won more AAA Five Diamond Awards than any other hotel chain in the world.

It is also noteworthy that in 2007 the chain was purchased for \$3.8 billion dollars by two men who could afford to buy anything in the world that they want: Bill Gates and Prince Alwaleed Bin Talal. They chose to buy the Four Seasons, I presume, as much for its cachet as anything else.

*When it comes to strategy, there is
too much ego and not enough
understanding.*

Did we mention that the Four Seasons is also consistently high on lists of the best companies to work for?

Let’s walk through *The Context of Strategy*TM using The Four Seasons as a case study.

Mission: *What do we really care about? What do we enjoy? Why are we uniquely qualified to do something about it?*

Issy Sharp cares about The Golden Rule: Do unto others as you would like others to do unto you. Around 1980 he decided that this would be the guiding value of

¹ This case study is based on information I found in Roger Martin’s excellent book [“The Opposable Mind”](#) as well as numerous articles available on the Internet.



his growing chain of hotels. They would treat all others – customers, employees, partners, suppliers – as they themselves would want to be treated.

“There was nothing new about this, of course,” said Sharp. “What was new was that we enforced it.”

Indeed, Sharp has noted that this was a very difficult time for him. He realized that some of the leading executives who had helped his company achieve its early success were not going to make the switch to behaviors required by a Golden Rule culture. Yet, he enforced it and let them go.

How would Issy Sharp answer our Mission questions? Probably like this:

“We care deeply about treating all others the way we ourselves would want to be treated. We enjoy it, too! And we are qualified to do this because we have the clarity of purpose and the discipline to enforce Golden Rule behavior at all levels in our company.”

Vision: *What will the company look like at a particular point in the future? Specifically, what kinds of products and services do we offer – and not offer? What kinds of markets do we serve – and not serve?*

When Sharp started his hotel company, hotels were either very large with around 800, 1,000 or even 1,500 rooms or small with about 200 rooms. The larger hotels could afford to be luxurious by spreading the cost of amenities over a larger customer base. However, their size was also a disadvantage: they lacked the warmth and personal attention of the smaller hotels. A mid-sized hotel was considered “impossible.”

Sharp wanted to create hotels that could be both luxurious and warm and personal.

The market he wanted to serve was the high-end luxury and business traveler who was willing to pay extra for a truly exceptional experience.

Strategy: *How do they need to perceive us in order to want to do business with us? [What will be our competitive advantage – as perceived by the people we want to do business with?]*

An important insight that helped Sharp create a previously “impossible” hybrid was his understanding of how the high-end traveler really perceived luxury. Others defined luxury by elegant surroundings. Sharp realized that nothing was as important as time. He recognized that if they could make people’s hotel stay not just pleasant because of the surroundings, but also one in which they would feel so well taken care of that they cherish the time they are in the hotel his



target market would flock to the hotel, pay premium rates and tell their friends. He refers to this as service “distinct in degree and in kind.”

Tactics: *What can we do to lead our target market to perceive us the way they need to perceive us in order to want to do business with us?*

At the Four Seasons they must have asked some version of “What can we do to lead high end business and luxury travelers to perceive our service as ‘distinct in degree and in kind?’”

Four Seasons was first to offer what is now standard in most luxury hotels and even in many motels: shampoo, large bars of soap, free shoe shines, non-smoking floors, fitness rooms and real live people, not machines answering the phones.

These tactics are easily copied and have since been implemented by nearly everyone. So how has the Four Seasons maintained their lead? See the Subtleties and Nuance section below for our answer.

Now, let’s take a look at *The Leadership and Management* pyramid.

Once we know what products we want to offer to which markets and we understand how each market needs to perceive us in order to want to do business with us, we move to the inside of the business.

Mission, as we said, is the same on both sides.

Vision: *Where do we want to be at a particular point in the future? Specifically, what key capabilities do we need in order to successfully create that perception which will lead our target markets to want to buy our products and services?*

More than anything else, The Four Seasons needs its employees at all levels to treat each other, their guests and suppliers according to the Golden Rule. This is not a simple thing! Yet they knew that if they could build a Golden Rule culture, they would be perceived by their target markets as the best of the luxury hotel and resort chains.

Strategy: *How do our employees need to perceive us in order to want to do business with us; meaning, to perform at their peak?*

At the Four Seasons, they probably asked something like this: “How do our employees need to perceive working here in order for them to eagerly provide a level of service that our guests will perceive to be distinct in degree and in kind?”

Well, they probably need to feel valued and cared for. What organizational tactics, policies and procedures will achieve that?

Tactics: *What actions can we take to create the required perception?*

At a time when most hotels treated their employees as low paid replaceable cogs, The Four Seasons hotel treated their employees according to the Golden Rule.

They provided high levels of training and career tracks for even the lowest level employees. Employee facilities and food are the same or similar to what is provided for guests. These and many similar tactical steps grew out of their strategy which grew out of their vision and mission.

A most incredible story: When Southeast Asia was hit with that terrible tsunami in December of 2004, the Four Season resort on the Maldives Islands was seriously damaged and forced to close. Sadly, this would have meant that hundreds of employees would be left without work just when they needed it most. Yet, what Sharp and his team did was remarkable. In Sharp's own words:

"The tsunami forced our Resort to close, putting hundreds out of work at the moment when they needed income most as they started to rebuild their lives and communities. We couldn't let that happen.

"Instead, we sent them to our other properties around the world - including properties in the United States, in Dallas, Palm Beach, Jackson Hole, Los Angeles, Maui and Washington. In true Four Seasons fashion, they have become a dynamic part of the teams at these hotels, embracing our guests with their caring service."

Imagine you work at a Four Season in Palm Beach. You come to work one morning and find that there is someone new working beside you. You ask a few questions and learn that he has just arrived, at your employer's expense, from the Maldives where he had lived through the tragic tsunami. You learn that your company has taken it upon themselves to send all its local employees around the world in order to continue to employ them while rebuilding. How would *you* feel towards the company employing you? What kind of loyalty would this create? How would *you* treat guests at your hotel?

6. Subtleties & Nuances: Details that Make the Difference.

Master the following nuances and your trot will become a canter and your canter a gallop.

A. Clarity > Clarity > Understanding > Execution.

The Mission level is about clarity. We are each born with a mission and it remains with us for life. Over time our mission – what we truly care about, enjoy and are uniquely qualified to do something about – doesn't change much. But it DOES get clearer. Our values, clearly articulated, form our mission.

Vision is also about clarity. We need absolute clarity as to which products we want to be offering – and not offering, which markets we want to be serving and not serving, and what key capabilities we need and don't need.

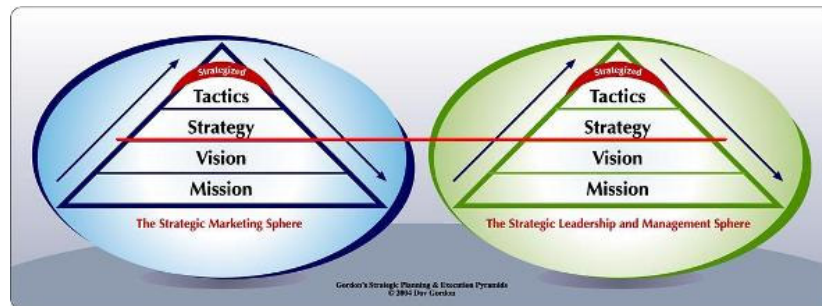
Strategy is about deep understanding. We are looking to influence people to act. They will only be influenced if *they* feel we deeply understand what *they* care about.

The **tactical** level is about **execution** or implementation. *Your tactics will succeed – meaning they will create the required perceptions – if you build them on the foundation of Clarity, Clarity and Understanding.* Unfortunately, most companies rush to the peak itching to get to work. Bob Mager said it very well: "Too often we confuse activity with progress."

B. The Red Line: Us vs. Them.

The line between vision and strategy should be thought of as a stark red line. Mission and vision is about *you*. It is about *your* values and what *you* care about, the kinds of products and services *you* want to be offering and the kinds of people *you* want to be serving.

However, strategy and tactics are about *them* – your target market and what *they* care about. It is about your employees and suppliers and



what *they* care about. Your actions, your tactical steps, must speak directly to what *they* care about – or they won't care.

If you find yourself in a situation where your target market just doesn't perceive any value in your product, you've got to go back down the pyramid. No tactics in the world will help you when they just don't perceive value – or sincerity – in what you are offering.

The strategy question has been carefully worded: **"How do THEY need to perceive us in order to want to do business with us?"** It is NOT "How do WE WANT them to perceive us." There's place for what we want below the red line. Once we cross the red line, it is ALL about *them*.

A talented architect recently shared his frustration with me. Everyone he talked to about his ideas for environmentally friendly “sustainable architecture” loved his ideas. Yet no one was willing to invest.

A quick look at one of his promotional pieces immediately revealed the problem. He was trying to sell *his* values and people weren’t buying. He should be talking about what his target market *already* values and show how his ideas will give it to them. Then everyone will be happy. They may never care about the environment the way he does, but so what? They will be living in environmentally friendly homes and he will have the pleasure of seeing his ideas come to life.

The light went on for him. That’s what I enjoy.

C. Now You Clearly See Why Definitions Confuse...

The *Context* model makes it clear that strategy really happens on two levels and in two different spheres. Remember, there are FOUR fundamental strategic questions:

- Which products will we offer and not offer?
- Which markets will we serve and not serve?
- What will make those markets perceive that we offer them advantages?
- Which key capabilities do we need to successfully create that perception and sell those products to those markets?

Notice the fascinating dynamic! The first two questions take place on the vision level of *The Strategic Marketing* pyramid. The third question takes place on the strategy level of the same pyramid. The fourth question takes place on the vision level of *The Leadership and Operations* pyramid.

The questions are split between *us* and *them*; they exist on *both sides of the red line*. No definition can capture this dynamic and incomplete definitions confuse, they don’t clarify.

It gets better... (or worse).

D. So, What’s A “Strategic Plan?”

People often use “strategy” and “strategic plan” interchangeably. Even McKinsey is guilty. However, a plan is simply a series of tactics; it is a collection of activities you intend to do.

Suppose you have a women’s clothing store and you want to grow your pool of repeat customers, your might plan the following:



1. We will have a sale of up to 50% off everything in the store.
2. To publicize this and draw people into the store, we will advertise in our local newspapers and on the radio.
3. When people come in the store we will ask to add them to our email list in exchange for a chance to win a shopping spree.
4. Once or twice a month we will mail list-only specials and advance notice of new offerings.

Each item here is a tactic – something you will *do*; an ACTION you will take. Strung together, they form a plan.

Is your plan strategic? It depends.

If you took the time to develop clarity on our mission, clarity on our vision and a deep understanding of your target markets – and your plan is built on that clarity, clarity and understanding, then you have a strategic plan. It is almost certain to create the right perception in the minds of the right people. You pushed your way up the left side and can expect to enjoy the thrill of rolling down the right side.

But if in your fervor to just do something you rushed to the top, your “strategic plan” is a wish list.

To make this perfectly clear: Imagine you are holding a red balloon and I am holding a blue balloon. You let go and your balloon soars up through the clouds. I watch, mesmerized and eager for my balloon to do the same.

I leave go. To my great disappointment, my balloon falls to the floor.

Tactics are like a balloon. On their own they will neither bounce nor fly. It's what's inside that makes one slip and the other one soar.

What is the difference? Obviously, not the balloon but what you have inside. Your balloon held helium; mine – hot air.

Two companies in the same industry can be using essentially the same tactics in an effort to attract the same clients. Yet one company will succeed and the second will flop. What's the difference?

Simple. Tactics are like a balloon. On their own they will neither bounce nor fly. What matters is what you have “inside.”

Do you have clarity, clarity and a deep understanding? That's your helium. If you don't, your tactics won't work because all you do have is hot air!

Remember how the Four Seasons developed its edge by offering full sized bars of soap, shampoo, etc.? We pointed out that these tactics are easily copied. Today everyone offers this and more. Yet the Four Seasons has maintained their lead. How did they do that?

It has to do with the red and blue balloons. While other companies were merely emulating the Four Seasons, the Four Seasons had actually pushed their way up the left side of the pyramid. They were clear on their mission and vision and they had developed a deep understanding of their target markets. So their tactics – their balloons – are filled with helium. Most other chains have jumped straight to the peak of the pyramid and copied the tactics. Their tactics are filled with hot-air and will sink not soar.

E. Where Does Marketing Fit In?

Marketing is another one of those words that means many things to many people – and often falls flat when we need it most.

We generally avoid definitions in favor of focused questions. But after we have the foundational principles of *The Context of Strategy™*, we can use them to define elements that are overlaid. Marketing, for example.

With what we've developed so far, it is quite simple. *Marketing simply refers to that collection of tactics we use to create the right perception in the minds of our target markets.* If our marketing is based on clarity, clarity and understanding, it is "strategic." Otherwise we are spitting into the wind.

F. Stay Away from S.W.O.T.

S.W.O.T., probably the most often used strategy tool, is shallow and creates confusion, not clarity.

S.W.O.T., (which stands for Strengths, Weaknesses, Opportunities and Threats), lacks any big picture context. All strengths are thrown together in a list and maybe prioritized. The same is done for weaknesses, opportunities and threats. You end up with a minestrone soup of good ideas and important issues from all levels of both pyramids sitting in a shapeless bowl. (OK, usually it's a nice binder.)

What should be done next is then decided by personality or rank and not by an objective and unbiased process.

G. Staying Rooted: A Subtle Insight.

The base of the pyramid is quite stable. As we move to the top, the factors become more fluid.

Mission doesn't change; our values tend to be rather stable. However, with time they do get clearer. Vision doesn't change much, either, although it is more likely to change than Mission. It is rare to make dramatic changes to your products or markets. But over time these are likely to evolve.

Strategy changes more frequently. As forces of all kinds act on your marketplace, needs, wants and expectations change.

Tactics are the most fluid. They are likely to change from year to year or even from month to month.

The clearer our mission and vision, the stronger our roots and the better we will hold up in stormy weather above the red line where we make decisions more frequently.

H. Where Do Financials Fit In?

What follows will sound like heresy to many, so please give it thought before rejecting it.

Financial guidelines are a very important part of setting strategy. We need to know what is considered minimum acceptable performance and ensure that we exceed it. Generally, we will clarify this during the vision stage.

The danger is when financial targets usurp the strategy. This happens more often than not.

Like a demon that has taken up residence in your compass, the financials must be exorcised.

The key insight here is to recognize that you never wake up in the morning and "make money" or "meet your targets." Strong revenue and profits are the *results* of doing other things well. Which other things? All those activities that create the right perception in the minds of your target markets.

No one has trouble with this when times are good. In good times, it is easy to focus on sticking to our strategic decisions about products, markets, competitive advantage and key capabilities. The tough times challenge us.

When times are tough we are tempted to offer products we have previously shunned to markets who can be better served by others. We justify such



activities by insisting that “we need to meet our numbers!” “The board is expecting it.” “Wall Street will punish us severely!” And so on.

Notice what is really happening: We are straying from the clarity of our mission, the clarity of our vision and the deep understanding we’ve developed of our markets. *We are becoming opportunists out to make a quick profit instead of strategists out to build an enduring enterprise.*

The warning sign is this: People advocating steps that fall outside the framework of your previously defined mission, vision and strategy. They will use rational sounding justifications like those cited above, usually together with a claim that “We have no choice!”

Beware. Strategy is not a prison. It MUST change over time. However, that change must result from the kind of careful thought and analysis we’ve advocated throughout this paper and not sparked by external pressures and fear.

When our decisions are guided by pressure to reach numbers, they are not guided by our values and the values of the people we want to serve, both out there in the market, and inside our own offices, stores and factories.

7. The Limits of this Model.

The Context of Strategy™ is a model that forms the foundation of a simple, yet sophisticated, strategy formulation process. I have presented it in this paper in order to fill a gaping void that I continue to see in my seminars and with my clients: *When it comes to strategy, there is too much ego, and not enough understanding.* We bind ourselves to our favorite guru, book or methodology, but rarely do we achieve a deep understanding of what it is we are out to accomplish!

The Context of Strategy fills that gap. It helps us see a big picture from the very start. It is simple so everyone can grasp it quickly. It highlights the red line between us and them. It helps us quickly identify where we are and thereby determine, objectively, what our next steps need to be.

As a first step, answer the questions asked by the model and you will be well on your way to becoming a superior strategist. Share *The Context* with your colleagues and your company will be well on its way to developing and sustaining a remarkable competitive advantage. Revisit this regularly as a team and you will cultivate resilience, flexibility and innovation.

You will go a long way by simply answering the questions. Even so, it is useful to have additional tools to help you drill down into each level of the pyramids.

Fortunately, many such tools are available. Porter’s Five Forces is useful for analyzing your industry’s structure. This helps you make decisions about products, markets and competitive advantage. Tregoe and Zimmerman’s Driving



Force concept is another brilliant tool for helping executives understand what business they are in – and should be in. Both of these will yield insights that are invaluable for answering the questions on the vision and strategy levels of our pyramids. In the future we plan to share additional tools we use in the strategy formulation process.

Clear Thinking Is the Highest Paid Work. We need to approach all we do with clarity about where we are now and where we are going. Clarity helps us focus our time, resources and energy. And focus leads to control; increased control over our lives and businesses. Clarity > Focus > Control!

I call this Process Geography™. In all areas of life and business, we need to be able to identify what kind of process we are engaged in (strategy, influencing, negotiating, problem solving, decision making, innovating, and so on) and determine where we stand within the process. Like any map, if we think we are in New York and head south to Miami, but we are really in Seattle, we are lost. If we think that we are at the tactical planning stage but we really haven't answered the fundamental "clarity" questions we don't have a "strategic plan." We are in fact self-absorbed and spitting into the wind.

Here's to clear thinking and your success.

Dov Gordon
President,
The Gordon Group
Strategy and Management Consulting
www.GordonGroupEC.com
dovgordon@gmail.com
+972-2-992-0396

Additional Resources

I. The CEO Thought-Provoker™ is our email newsletter. Short, thought-provoking articles are sent out once or twice a month. Subscribe now at www.GordonGroupEC.com.

II. ADDITIONAL WHITE PAPERS by Dov Gordon

"Stop Trying to Motivate... and Do This Instead." Managers can't motivate their employees. Asking "How do I motivate them?" is counterproductive and distracts managers from where they can really have an impact. This white paper looks at the four most common causes of poor performance, explains how to identify what is causing poor performance amongst your people, and how to correct it.

http://www.gordongroupec.com/CEOTP/WP_%20Stop%20Trying%20to%20Motivate%20and%20Do%20This%20Instead.pdf

III. SELECT ARTICLES by Dov Gordon

1. "Lessons from Those Who Predicted the Housing Bubble - and from Those Who Didn't."
<http://www.gordongroupec.com/CEOTP/19-Lessons-from-Those-Who-Predicted-the-Housing-Bubble-and-from-Those-Who-Didn't.html>
2. Thriving In Hard Times: What is your company's preoccupation?
<http://www.gordongroupec.com/CEOTP/20-Tips-for-thriving-in-hard-times-focus-on-opportunities-not-on-your-problems.html>
3. Survey Sloth: How Marketing Research Can Imperil Your Marketing.
<http://www.gordongroupec.com/CEOTP/8-Survey-Sloth-How-Market-Research-Can-Imperil-Your-Marketing.html>
4. Why A Seven Minute Meeting Took An Hour-and-A-Half.
<http://www.gordongroupec.com/CEOTP/16-Why-A-Seven-Minute-Meeting-Took-an-Hour-and-A-Half.html>
5. For Every Thousand Hacking at the Leaves of Poor Management, there Is One Striking at the Root.
<http://www.gordongroupec.com/CEOTP/18-Hacking-at-the-leaves-of-poor-management.html>

More articles available at <http://www.gordongroupec.com/articles.html>

IV. RECOMMENDED books and articles:

1. "Top Management Strategy" by Zimmerman and Tregoe.
2. "The Five Competitive Forces that Shape Strategy" by Professor Michael Porter. This refers to a Harvard Business Review article that appeared in January 2008.

DOV GORDON helps senior executives make better, wiser decisions and quickly get things done. He is sought after for his perspective and advice on formulating and implementing strategy, developing an innovation culture and cultivating superior team work. Dov can be reached via his website www.GordonGroupEC.com, email dovgordon@gmail.com or phone: +972-2-992-0396.