

# PREFACE

Kevin Duncan reads business books. A *lot* of them. More than most business people could read in eleven lifetimes. And best of all, he can write entertainingly about them.

Here he highlights ideas from 57 fascinating books – a veritable Cook’s tour of business insights. Influential authors stand shoulder to shoulder and cheek by jowl: Thaler and Sunstein next to Laffley and Martin; Rajdou and Prabhu next to Dixon and Adamson; Downes and Nunes next to Goffee and Jones. You’ll find Sinek, Godin, and Gladwell; Lencioni, Kahnemann, and Trott; the Heath brothers, Bannerman, and Pink. It’s interesting to see what happens when the best ideas of each bump against those of the others. They seem to produce offspring.

Duncan is superb at pulling out the most telling details. Paraphrasing from Greg McKeown’s *Essentialism*, he says that if your commercial strategy boils down to a number, then the chances are it isn’t one. Strategists who don’t take time to think, he says, are merely planners.

Each chapter contains the essence of one or two well-regarded books. First he sums up the author(s) wisdom, then he adds his

own thoughts – always delightfully opinionated – in the form of a “Smart Strategy Warning.”

Speaking through his favorite authors, Duncan pokes holes in a lot of brightly coloured business balloons. Take for example: Most things aren’t worth doing. All models are wrong. Ignorance has tremendous value. Do everything at once. A disadvantage is an advantage. Most market research is flawed. Leaders eat last. And possibly my favorite – antelopes don’t have hobbies.

You’ll learn how to zoom in, zoom out, and “ooch” your way to a workable theory. With experience, you’ll begin to recognize the “caramba moment,” and on the way learn to avoid the perils of “WYSIATI” (What You See Is All There Is). You’ll soon be harnessing the power of “clevers” and using “service recovery” to turn mistakes into customer loyalty.

I won’t spoil the adventure for you. Dip in, dip out, let the ideas bump together. Who says strategy has to be boring?

Marty Neumeier  
Author of *Scramble: A Business Thriller*

# INTRODUCTION

Strategy is a much-abused subject.

An online search of the word alone produces over 93 million references.

A similar search on a popular retail site shows that there are over 120,000 books written about it.

So, there is no shortage of opinion on the topic, but are they any help?

How many times have you bought an earnest book on strategy and not finished it because it was too long-winded?

My intention here is to get you to intelligent solutions, quickly.

A good strategy needs to be short, clear, and easy to understand.

Smart, and original if possible.

This book offers 50 ideas to help you arrive at decent strategic thinking as quickly as possible, and presents it in a way that we can all understand.

It covers seven of the most common strategic areas that affect businesses: commercial, brand, customer, sales, people, innovation, and communication.

So that means getting the initial big idea right and working all the way through to explaining it well.

Please note, however, that this is not a method where you slavishly follow the steps in a sequence.

In fact, some of the suggestions may seem to contradict each other. But they all have a use in one context or another.

Kevin Duncan  
Westminster, 2018

# IDEA 1: WHAT IS STRATEGY ANYWAY?

This book looks at seven strategic areas, with seven suggested approaches in each part. So that's 49 possible approaches

But there is one thing that underpins them all: a clear definition of what strategy truly is.

A strategy is a plan of action designed to achieve a long-term or overall aim.

It is what you have decided to do.

That's it.

If anyone tries to tell you it's more complicated than that, then they are trying to mislead you.

There are many areas where a decent strategy will be of use.

Here I have tried to cover the most universal themes:

- **Commercial:** is it going to make money?
- **Brand:** have we created a good one that people want to be associated with?



- **Customer:** do we have a plan to reach them effectively?
- **Sales:** can we generate enough and, if so, how?
- **People:** how will our staff make all this thinking happen?
- **Innovation:** can we come up with intelligent new ideas to help growth?
- **Communication:** how will we explain all of this to colleagues, staff and customers?

All of this should be explainable on one sheet of paper, and sometimes even on a postcard.

What a strategy is not:

- a long-winded discourse
- a series of impenetrable charts
- a drawing of the Parthenon populated by a long list of adjectives
- a series of tactics cobbled together to suggest a unified thought
- a verb, as in 'to strategize'.

A strategy states intention and direction in such a clear way that everybody knows what they are doing.

So that's point number one. Now let's look at the other 49.

## A NOTE ON THE MILITARY METAPHOR



Another definition of strategy is the art of planning and directing military operations.

Sadly, this has led to an unfortunate overuse of macho terms in the business world.

Tasks are often described as mission critical, and businesses are forever seeking the so-called magic bullet.

As well as strategy and tactics, customers are subjected to campaigns, viewed as targets, and sent mailshots.

But business is not really about world domination, is it?

So you won't find any language of that sort in this book.

## A WORD ON COMMERCIAL STRATEGY

This section is all about the big stuff.

That's the direction of an entire company, organization, product or service.

Amazingly, some companies stumble along without ever writing this down or agreeing it at board level.

So the commercial strategy is always the place to start.

Without it, every other type of strategy could be trying to enact the wrong thing.

It is often quite serious, but it doesn't have to be pompous.

It is primarily concerned with what the company does and how it makes money.

The biggest sin that can be committed here is to include too much, make it unnecessarily complicated, become long-winded, or indulge in fanciful thinking.

It needs to be short and clear, so that everyone can understand it.

It is essential that the strategy is free of bullshit, so that it includes no corporate self-delusion.

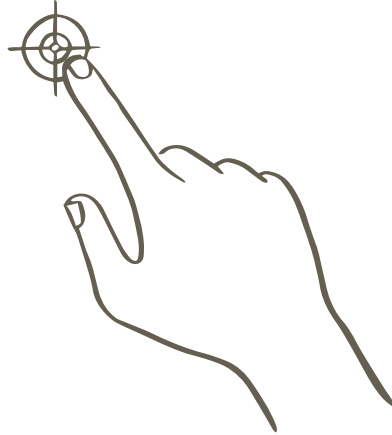
It is categorically *not* about the detail.

All that comes later.



# COMMERCIAL STRATEGY

# 1. STRATEGY IS CHOICE



According to Lafley and Martin, authors of *Playing to Win*, strategy is not complex, but it is hard, because of the pain of having to make choices.

The five crucial strategic choices they identify are:

1. *What is our winning aspiration?*

This is not the strategy – it's just a start. What are you hoping for?

2. *Where will we play?*

Choose the markets, categories, and product areas where you can compete effectively. Exclusions are helpful – don't start multiple wars against competitors when you can't win.

3. *How will we win in our chosen markets?*

Look at cost and differentiation. Is the company or product as good as you think it is? Many businesspeople have a rose-tinted view of their own products and overestimate their potential.

4. *What capabilities must be in place to win?*

Create an activity system that will do the job. If the company can't currently do this, look carefully at required resources and investment.

5. *What management systems are required to support our choice?*

Has the company or department got the right grown-ups at the top, enough staff to get everything done, and a system to make it all work?

Make those decisions and you'll have made a start on a decent commercial strategy.



## SMART STRATEGY WARNING

Making everything a priority is a big mistake. Strategy is all about choosing one thing over others. If your strategy runs to a huge document or presentation including everything plus the kitchen sink, then it probably won't work. If you try to do it all, you won't achieve any of it.

If you are about to write a strategy, limit yourself to one page. If you have already written one, take a highlighter pen and use only the best bits. Then re-draft it on one page. Smart strategy is clear and simple.

## 2. THINK BEFORE YOU PLAN



Strategy expert Max McKeown believes that thinking *before* you plan is vital. Strategists who don't take time to think are just planners.

Strategy is all about shaping the future, and that requires a combination of thinking, planning, and reacting to events that will undoubtedly emerge along the way. The crucial questions are:

- What do we want to do?
- What do we think is possible?
- What do we need to do to achieve our goals?
- When should we react to new opportunities and adapt plans?

Inspiration and insight can be drawn from looking forwards, backwards, and outwards, which often means blending smart prediction with past experience and astute observation of what's happening outside the company and the market category.

Strategists need to know what stage their company, industry, products, and services have reached. What crises have they survived? What will be next?

Survival is a priority, but growth is better. Crucial questions here are:

- How has the company grown in the past?
- What could fuel it in the future?
- Which markets and products could offer the greatest potential?

Just doing what you did last year isn't imaginative enough. This wide-ranging questioning must come before any semblance of a plan is constructed.



### SMART STRATEGY WARNING

Don't just dive in and write a plan. Many individuals and companies are fooled by plans. They think that because it is written down in an impressive way, then it must be a good strategy. This is sometimes called the 'spurious authority of type'. Somehow it all seems more convincing when it's typed up.

But that doesn't mean the strategy is any good. If you are drafting a strategy, use a pen and paper. The very last thing you should do is to make it look pretty. Are you staring at a strategy that looks impressive but lacks proper substance? If so, rip it up and think of something more original and effective.

### 3. PURSUE PRINCIPLES, NOT MONEY

If your commercial strategy boils down to a number, then the chances are it isn't a strategy.

“Grow the business by 10%” is not a strategy. Nor is “Acquire x number of customers.”



Each of these might be an objective or a desired outcome, but they're not the means by which you will get there.

Strategy has been described as “the hard art of standing apart”. That means having integrity and a clear sense of purpose – a noble, unwavering belief that translates into firm principles for how to conduct your business.

It means being distinctive, standing for something, and doing what you say you will. None of which is easy.

In his book *Essentialism*, Greg McKeown explains the components of an ‘essential intent’. It needs to be both inspirational and concrete.

For example, a vision or mission can be inspirational, but it is rarely concrete.

Quarterly objectives are concrete but never inspirational.

Values are neither, and so are usually both general and bland.

Inspiration isn't hard to identify, but it takes bravery.

The key to a concrete strategy is answering the question: “How will we know when we're done?”

“A laptop for every child in Africa” is both concrete and inspirational. Good strategy pursues principles rather than just money.



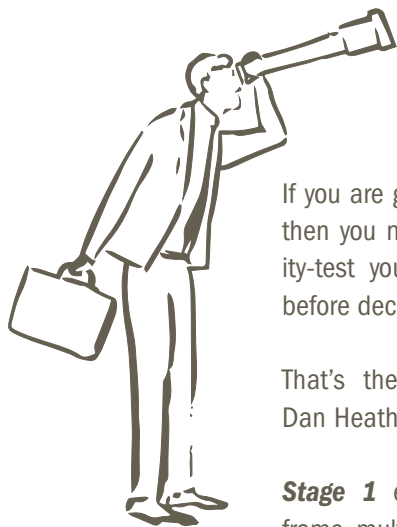
#### SMART STRATEGY WARNING

It is important to avoid any wishful thinking. For a strategy to really mean something, it will most likely embrace elements of sacrifice (what the company or brand won't do) and be genuine. You can only do that if your strategy captures the imagination and is expressed well.

If the strategy is based on a number, it is probably ill-conceived. Numbers are not motivating in their own right. Start by getting the intent of the company or brand right, and, if the strategy is a good one, the numbers will follow.



## 4. WIDEN OPTIONS, ATTAIN DISTANCE



If you are going to be strategically decisive, then you need to widen your options, reality-test your assumptions, attain distance before deciding, and prepare to be wrong.

That's the advice of experts Chip and Dan Heath.

**Stage 1** entails avoiding a narrow time frame, multitasking (considering more than one option simultaneously), and finding someone who has already solved your problem. Give yourself time, look at lots of possibilities, and take wide-ranging advice, from outside the company if needed.

**Stage 2** involves considering doing the opposite, zooming in and zooming out between the big picture and the detail, and 'ooching' – a Southern US word for running small experiments to test theories.

**Stage 3** includes overcoming short-term emotion and honouring your core priorities. Pragmatic, fact-based thinking works, not so-called gut feel, whatever that may be. (I have never understood why people want to listen to their intestines.)

**Stage 4** is bookending the future – mapping out a range of outcomes from very bad to very good – and setting up tripwires to provide sufficient early warning of adjustments throughout the year.

All of this takes time, so you can't just knock up a strategy in a day.

Consider the widest range of possibilities.

Test the robustness of your proposed strategy with a quick pilot, then take the emotion out of it and prepare to be wrong.

If you are wrong, then you may have to go through the whole thing again to get it right.



### SMART STRATEGY WARNING

Going narrow and deciding on direction too early is foolhardy. You might be wrong. And a wrong strategy can wreck an entire year of trading or bring a whole company to its knees.

Also beware of overly heavy emotional commitment too early in the process. If everybody is backing a direction before they have the evidence, it's that much harder to change strategic decision before embarking on what could be a disaster.

## 5. REMOVE SILOS



The word 'silo' comes from the Greek word *siros*, meaning 'corn pit'.

The meaning moved across to military missile silos, and then to systems and departments that work in isolation. Synonyms include 'ghettos', 'buckets', and 'tribes'.

Businesses should strive to prevent silos in the first place, or work hard to remove them.

Ever since civilized society began, we have felt the need to classify, categorize, and specialize. This can make things more efficient and help to give the leaders in organizations a sense of confidence that all is well.

But it can also create a 'structural fog', with the full picture of where the organization is heading hidden from view.

Silos are rife in many modern institutions. They have the power to collapse companies and destabilize markets.

They blind and confuse, often making companies act in risky and damaging ways.

So, when it comes to devising appropriate strategies, putting everything in its so-called place isn't always such a bright idea.

No single part of a company should determine the strategy of the company – and that includes the strategy department, if there is one.

Team boundaries should be kept flexible and fluid, so that information flows effectively, ensuring that knowledge is truly shared.

The golden rule when generating an effective commercial strategy is: *ask everyone first*.

All companies have pockets of expertise, and their knowledge is often priceless.

It's often the people who know the most who say the least, so make sure you use their knowledge.



### SMART STRATEGY WARNING

Strategies developed solely by strategists are often unsuccessful. Strategists and strategy departments do not have a monopoly on strategy. So, coming up with a strategy in an ivory tower is a cardinal sin.

Before drawing first thoughts together, make sure you visit all corners of the business, solicit opinion, and ask open-ended questions. Be open-minded. Consider many possibilities. Put an eclectic working team together and kick ideas around.

## 6. UNCOMMON SENSE V. COMMON NONSENSE



There is 'common nonsense' behind much managerial behaviour today, particularly in the tired and cynical assumptions that underpin organizational routines, rituals, and discussions.

That's the view of Jules Goddard and Tony Eccles in their counter-cultural book *Uncommon Sense, Common Nonsense*.

'Uncommon sense' is what differentiates smart companies from the others and allows them to rise above 'common nonsense'.

Too many strategic decisions rely on a HIPPO (a **H**ighly **P**aid **P**erson's **O**pinion).

Management strategy models biased in favour of control, at the expense of learning, tend to involve:

- **best practice**: the recipe for formulaic sameness
- **operational excellence**: 'doorknob polishing' pedestrian policies
- **competitive benchmarking**: plagiarism run riot
- **balanced scorecards**: the bureaucrat's revenge
- **performance targets**: insults for the conscientious
- **annual budgets**: the pathology of under-ambition
- **financial incentives**: bribes for loners and cynics

- **organizational alignment**: fear of diversity
- **shared values**: the extinction of individualism
- **professional standards**: box-ticking for the risk averse
- **charismatic leadership**: narcissism unbound.

None of this contributes one jot to a decent strategy. It's all administration and involves no original thought.

No business sets out to impoverish shareholders, irritate customers, demoralize employees, outrage governments, and leave the world worse off – so why write mission statements and strategies claiming otherwise?

Uncommon sense in business is, by definition, uncommon.

Make sure your strategy includes plenty of it, and no common nonsense.

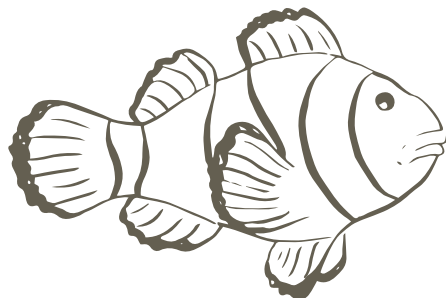


### SMART STRATEGY WARNING

At all costs, resist getting bogged down in benchmarking and box-ticking. It doesn't get you anywhere. Forget the competition and just decide what you want to do. They will have to cope with you, not the other way around.

Cut out all the management bollocks and come up with something intelligent, pithy, and inspiring. You'll probably need just the one page.

# 7. FIND YOUR NEMO



Strategy is choice, so you can't have it all.

There can only be one strategy.

Knocking up a plan before you have thought it through will not generate a strategy.

You first need to widen your options and attain distance, otherwise you could be too close to the subject

You can't simply sit and generate a blistering strategy at your desk. You need to remove silos and draw from the widest possible pool of expertise.

And it doesn't pay to dwell on limitations. Instead, turn these to your advantage by thinking more laterally.

In his book *Business Genius*, James Bannerman suggests that to focus properly on the matter in hand, it can help to try the NEMO technique.

It stands for “**N**othing Else **M**atters except the **O**,” where you picture the O as the bull's-eye of an archery target.

This is what you are aiming for – your purpose. It should be the one single thing that the strategy represents.

Just the one thing.

Strategies with multiple purposes don't work.



## SMART STRATEGY WARNING

Many strategies are ill-advised. Alan G. Lafley and Roger Martin warn against all of the following:

- **Don Quixote**: taking on the strongest competitors
- **Waterloo**: starting wars on multiple fronts at the same time
- **Something for everyone**: going for everyone, everywhere
- **Dreams that never come true**: high-level aspirations that never happen
- **Programme of the month**: generic industry strategies where everyone is chasing the same people in the same way.

Avoid all of these, because they don't work.



# SMART COMMERCIAL STRATEGY SUMMARY

- Strategy is choice.
- Think before you plan.
- Pursue principles, not money.
- Widen your options and attain distance.
- Remove silos.
- Uncommon sense v. common nonsense.
- Find your NEMO.

A series of 18 horizontal dotted lines for writing notes.