

# What is Strategy?

## An exploration of one of the most important yet universally misunderstood organizational constructs: Business Strategy

If you were to independently ask each of your senior executives to define the term “strategy” I’m fairly certain you would get a different response from each of them. If your senior team can’t agree on a single definition, it’s hardly surprising that they disagree on what the company’s strategy is or should be. Organizations often invest tremendous time and money in developing their strategy, yet they’ve not spent even a few hours agreeing on the basic fundamental concepts around what strategy actually is, and what it is not.

### Overview

Michael Eugene Porter is widely regarded as one of the most influential management thinkers. As the author of 18 books and over 125 articles, he is considered a leading authority on competitive strategy and the competitiveness and economic development of organizations, nations, states, and regions. In his seminal article (*What Is Strategy?*, HBR, 1996) he proposed one of the most widely referenced frameworks for describing and understanding business strategy.

This program explores the tenants of strategy outlined by Porter and deconstructs the conceptual framework, allowing the participants to more fully grasp the concepts, and apply them to today’s business environment, and their own organization.



### Key concepts covered in the session

This session explores the following concepts:

#### 1. This is an important difference between operational excellence and strategy:

- Operational effectiveness means performing similar activities *better* than rivals perform them. This is necessary but insufficient for good strategy.
- Strategic positioning means performing *different* activities from rivals’ or performing similar activities in *different ways*.

**2. Strategy relies on and is strengthened by a unique set of activities:**

- Deliberately choosing a *different* set of activities to deliver a unique mix of value.
- Strategic positions can be based on *customers' needs, customers' accessibility, or the variety* of a company's products or services.

**3. A sustainable strategic position requires trade-offs:**

- Choosing a unique position is not enough to guarantee a sustainable advantage.
- Competitive advantage is caused by the alignment of activities. When activities are incompatible, one must choose rather than risk doing neither well.
- Different positions require different configurations of resources across the organization: You can't be everything to everyone—this is not strategy.

**4. Good strategy requires that organizational actions demonstrate alignment:**

- Positioning choices determine not only which activities to perform, and how to configure them, but also *how activities relate to one another*.
- Strategy is about *combining* activities in a way that is not easily replicated.

### ***Description of the session***

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This highly interactive two-hour session combines the clear presentation of key concepts with thought-provoking discussions that enable participants to better understand the concepts and apply them to their own business and industry.

### ***About the presenter***

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Paul Kessler is Founder and Managing Director of Altus Group LLC, a consulting firm specializing in increasing individual, team and organizational performance. He helps organizations maximize leadership and team performance under conditions of adversity and rapid change brought on by disruptive business environments. He has expertise in strategy development, organizational transformation, leadership and executive coaching, team effectiveness, and change management.



He is a co-author of *Leading at the Edge: Leadership Lessons from the Extraordinary Saga of Shackleton's Antarctic Expedition*, which summarizes 25 years of research on individuals and teams performing at "The Edge" – the highest possible levels of performance. He has co-authored various articles including *Leadership Lessons from the Race to the South Pole*, and *Using the Power of Resonant Metaphor to Increase Leadership Effectiveness*. He is a featured speaker at conferences around the world and resides in Connecticut, USA.