
CHAPTER

1

Introduction to Strategy in Practice and Strategic Thinking

It is important to remember that no one has ever seen a strategy or touched one; every strategy is an invention, a figment of someone's imagination . . .

—Henry Mintzberg¹

IN THIS INTRODUCTORY CHAPTER, WE . . .

- define and explore some fundamental notions related to strategy and the practice of strategy;
- review and frame some of the key problems and issues contributing to the ongoing dilemma managers face with strategy;

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- introduce strategic thinking in the context of strategy in practice;
- reflect on the differences between strategy *in* practice and strategy *as* practice; examine *strategic planning* in the context of strategy in practice and strategic thinking;
- introduce the strategic thinking roadmap; briefly outline the subsequent chapters of this book that are structured around the strategic thinking process;
- close with some caveats and useful pointers on strategy in practice.

Strategy: A Persistent Dilemma

Strategy – is it really a figment of someone’s imagination? One would hardly come to that conclusion judging by the popularity of the word in the business media. Scarcely any business word is invoked more frequently and with greater fervour. Business leaders take great pride in referring to “their strategy”. A simple search of the *Financial Times* (FT) online alone, for the period of the first two quarters of 2009, reveals that the word “strategy” came up about 6300 times in FT articles; about 850 times in FT commentaries and analyses alone. Filtering out references in which the word was used in a political or social context still leaves approximately 5500 hits.

Yet many business leaders have difficulty articulating their strategy. Ask one to explain their strategy in terms of how it sets them apart from their competitors. After all, do we not teach our MBA students that strategy is about being *different*? More often than not, however, this triggers a reaction best described as nervous fidgeting. The sobering reality is that most business leaders cannot articulate their organization’s strategy in a simple, compelling way. This is worrisome when considering that these are the people who not only view themselves as the chief strategist of their organization, but indeed, *are* responsible for the strategic course of their company.

Although business leaders often see themselves as the architects of their organization's strategy, many rather quickly lose sight of the wood for the trees when it comes to strategy. They are quickly baffled, if not by the jargon then by not knowing how to approach strategy in the first place. Surely, this cannot be for lack of "cutting edge" management thinking. Time and again, authors of best-selling business books, their publishers and the media would have us believe that the holy grail of strategy – *the* strategy theory to put all previous ones to rest – has finally been found. And indeed, a number of advances in strategic thinking have been made over the years. The fundamental problems facing managers today, however, are related to putting that strategy to work in the field of practice.

What then is "Strategy"?

In view of the proliferation of management publishing on the topic, it would seem reasonable to assume that we might at least begin with a clear and consistent definition of the notion of *strategy*. This is not the case, however, as even a superficial review of the ongoing discourse in the management literature confirms. Strategy has been defined in many different ways and it is still evolving as a concept. Early definitions of business strategy strongly imply deliberate planning and action, such as Chandler's (1962) classic definition:

*The determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals.*²

Consensus today appears to be forming around definitions of strategy that allow for the fact that strategy has both deliberate as well as unintended elements; that it is often only recognizable as such in retrospect. In this manner, Mintzberg (2009)³ suggests thinking of strategy as a stream of actions, the meaning of which often becomes apparent only after their occurrence. Mintzberg also argues for thinking about strategy as a pretext for action positioned somewhere along a continuum that runs from purely deliberate to

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purely emergent, though in practice neither extreme is ever really encountered – despite claims in the management literature suggesting otherwise.

So, rather than trying to nail down an exact definition of what strategy *is*, it is perhaps more evocative to reflect on what strategy is *about*.

From its earliest military origins, strategy has always been about gaining the competitive edge. We look back on several thousands of years of military history in which strategy has, in essence, always been about *winning*. In a modern business context *winning* involves setting the right direction for an organization through periods of change and securing its competitive well-being over time. By extension, a central research question that has emerged alongside the notion of *strategy as winning* is: “Why do some organizations persistently outperform others?”⁴ Performance is assessed in terms of the value created and delivered to relevant stakeholders. An organization’s competitive well-being rests on the organization’s ability to *differentiate* itself – that is, being *different* – from its competitors. However, simply being different is not enough; firms must differentiate themselves on their ability to create and deliver a superior *value offering* to their stakeholders.

BOX 1.1 THE “BUILDING BLOCKS” OF COMPETITIVE STRATEGY⁵

The essence of strategic thinking revolves around coming up with good responses to the following questions. These relatively few and deceptively simple questions comprise the basic building blocks of strategy:

- What is the competitive economic environment in which we must operate? What are the key drivers? How are these changing?
- What are our resources, capabilities and practices – and how do these provide us with an advantage relative to competitors?

- Is our basis of competitiveness changing? If so, how?
- Who are our customers today? Who will they be tomorrow? What do they/will they “need” and demand?
- Given our understanding of the external context and our internal basis of competitiveness, what is our window of opportunity for creating unique value? How is it changing?
- How do we align our organization, our people and our activities to deliver on our unique window of opportunity?

From this perspective, strategy is rather straightforward: simply find responses to the set of basic questions outlined in Box 1.1 and the building blocks of strategy fall neatly into place. Why then are managers still struggling with strategy? There appear to be several plausible reasons for this. And, as is often the case in complex contexts, these are not entirely unrelated.

First, strategy is not *only* about rational analysis. Recent decades that have seen strategy evolve through a number of schools of thinking have ultimately laid to rest the perception that strategy is simply an analytical problem to be solved with left-brain dexterity. Many of the past approaches to “strategy” have been shown not to have had much to do with strategy at all. In their place we find a growing number of diametrically opposed perspectives that underscore the paradoxical nature of strategy – that in messy, real-time strategic decision making there is no single “right” response. This insight has encouraged thinking and the search for insight “beyond the numbers” in strategy making. It has also given rise to a much more comprehensive understanding of the roles and importance of knowledge, intuition and the human condition in strategy. If nothing else, we have come to realize that strategic responses, no matter how seemingly appropriate, always remain shrouded in uncertainty introduced through complex environmental factors and the irrationality of human behaviour.

Second, strategy is ultimately a practice discipline – as much as management is intrinsically a practice discipline. Many strategy

scholars appear to neglect this. Strategy may start out as a paper exercise, but its ultimate test of validity occurs in the practice field. This is beset by complexity and ambiguity. In the practice field, we find this compounded by a further factor: many managers prefer *acting* (indeed, this is often a criterion for promotion) over *thinking*. In many corporate environments it is better to be seen doing something – *anything*, really – rather than to fall under the suspicion of inactivity (see Box 1.2 “A bias for action?”). Mintzberg⁶ argues that managers often simply do not have or take the time to think. He points to studies showing that managers dislike reflective activities, and are strongly oriented to action. One particular study of British middle and top managers indicates that they worked without interruption for a half hour or more only about once every two days. Levy⁷ points out, though, that deep reflection cannot be hurried and that insights cannot be forced, that both generally require substantial investments of time and sustained attention.

BOX 1.2 A BIAS FOR ACTION?

Topping the list of their “eight basic principles to stay on top of the heap” in the bestselling book entitled *In Search of Excellence*⁸ by authors Peters and Waterman we find “A bias for action: a preference for doing something – anything – rather than sending a question through cycles and cycles of analysis . . .”. Well, that advice appears to have resonated well with Percy Barnevik, former CEO of ABB. Barnevik believed in taking decisive action. He is said to have argued that “1. To take action (and stick one’s neck out) and do the right things is obviously the best behaviour; 2. To take action and do the wrong things is next best (within reason and a limited number of times); 3. Not to take action (and lose opportunities) is the only unacceptable behaviour”. Barnevik elaborated in an interview with the *Financial Times*, asserting that “[i]f you do 50 things, it is enough if 35 go in the right direction; . . . the only thing we cannot accept is people who do nothing” (Rosenzweig, 2007).⁹ This ethos involving

action, initiative and risk-taking characterised ABB's culture and was often cited as a prime reason for its mercurial ascent in the 1990s. However, it was also at the root of a near-fatal business decision made in that same period. One of the companies acquired by ABB on its global acquisition spree was Combustion Engineering, a Stamford, Connecticut-based reactor vessel manufacturer. ABB acquired the firm in 1989; unfortunately, though, its due diligence failed to flag Combustion Engineering's history of using asbestos in its reactor linings. The resulting messy asbestos litigation almost nudged ABB over the brink of bankruptcy in the early 2000s. ABB was able to resolve the asbestos claims in a \$1.43 billion settlement agreement only in 2006.¹⁰

Third, many managers are immensely uncomfortable with having to make strategic decisions under circumstances of incomplete information. Moreover, there is still a persistent attitude in management circles that decisions need to be backed up with numbers – any numbers, even if these are often largely meaningless and effectively irrelevant to the issue in question. Management reality is complex and ambiguous, invariably non-quantifiable and continually changing. Therefore, only in a relatively few cases are numbers of any real significance available. Causality is all too often not apparent and the available information is consequently incomplete and asymmetric. Seldom does the “bigger picture” present itself in a comprehensive way. Yet, despite the lack of factual data, important strategic decisions often cannot wait. Business leaders must make decisions even in the face of this uncertainty and risk. That, after all, is what they are being paid to do.

The list of circumstances and factors contributing to the strategy dilemma faced by managers today is long. Hence, we will only mention a final one for the sake of this argument: increasingly dynamic business environments are forcing managers to make decisions

ever more quickly and on the run. This throws up a number of dilemmas: how can high-quality decisions be made quickly when critical information is incomplete or missing entirely, analysis is limited to a minimum, and debate and discourse – both necessary elements of good decision making – are suppressed in view of time constraints?

Given these circumstances, how should managers approach strategy in practice? This is the question we are seeking to address. We propose approaching strategy from the strategic thinking angle. The strategic thinking approach developed in this book is theoretically and conceptually rigorous while allowing for a range of possible strategy outcomes. In this respect it addresses the rapidly changing and complex reality managers experience in practice. It is about strategy *in practice* – the way it should be approached under circumstances of uncertainty and unpredictability.

Ultimately, strategy in practice is about achieving the right balance between *relevance* and *rigour* with respect to strategic thinking. *Relevance*, in as far as strategic thinking generates insights of strategic relevance and potential impact; *rigour* through proper grounding in current strategy theory. The approach to strategy taken in this book is largely consistent with the “strategy as process perspective” – yet without any presumption that strategy can or should be approached in a mechanistic way.

Indeed, the strategy process needs to capture and take into consideration all that is available to the manager – the “soft” insights coupled with collective experience that informs intuition from throughout the organization as well as any relevant “hard” data from analysis of the organization’s external competitive context. Strategy making then involves synthesizing the collective learning through appropriate techniques of sense making and deriving from these insights suitable strategic options. To that end, strategic thinking is a complex process that, in Mintzberg’s words, “. . . involves the most sophisticated, subtle, and at times, subconscious elements of human thinking”.¹¹

STRATEGY IN PRACTICE: POINTS FOR REFLECTION

- What are the tensions and dilemmas that typically surface when your organization engages in strategy?
- How are uncertainty, ambiguity and complexity dealt with in your organization?
- How much of the strategic insight in your organization is based on rational analysis (i.e. how much of it is largely numbers-driven); how much is based on intuition and “soft” information?
- What role does *strategic thinking* play in your organization’s strategy process?

Where Does this Leave “Strategic Planning”?

Strategic thinking was never really an element of *strategic planning*. Arguably, *strategic planning* has little to do with *strategy* at all for that matter. If at all, it might be considered to be a controlling instrument. Strategic planning, when it arrived on the scene in the 1960s, was embraced by business leaders as *the* way to “make strategy”. At the height of its popularity in the 1970s, corporations employed legions of staff planners. Since then we have come to realize that strategic planning really was little more than a controlling exercise and served the purpose – for better or for worse – of streamlining the rollout of strategies that were already in place. In essence it was really about strategy programming and often stood in the way of strategic thinking.¹²

More than that, though, strategic planning represented a managerial mindset that sought the “one right answer” through purely rational analysis of hard data. Managers seeking comfort in numbers recognized in it a way to mechanistically break a strategic objective down into manageable steps. The probability of the predictable was thought to be thereby maximized, the realization of desirable objectives assured.

Understandably, few business leaders today would be prepared to admit to traditional strategic *planning*. This doesn't mean, however, that *strategic thinking* has taken its place. Strategic thinking is not, and has never been, a core managerial capability in companies (Christensen, 1997).¹³ In many firms the *strategic planning* function appears to have been replaced by *corporate development and planning*. These functions, however, have not necessarily introduced good strategic thinking in these organizations.

BOX 1.3 ROBERT McNAMARA: THE “ENLIGHTENED RATIONALIST”

Few senior managers have epitomized strategic planning more than the late Robert McNamara (1916–2009), one of the ten “Whiz Kids” Ford Motor Company hired in 1946 to shake up its business. McNamara was later plucked from Ford by John F. Kennedy to be US Secretary of Defense. A former Harvard economics professor, he loved numbers. Things that could be counted, McNamara maintained, ought to be counted. He was an iconic planning manager who could use facts, numbers and analyses to solve any problem, even to wage wars in far-off Vietnam. There were the four McNamara steps to running an organization: the first, stating an objective; second, working out how to get there; third, costing out everything; and lastly, systematically monitoring progress against plan. The Vietnam War became widely known as “McNamara’s War”. McNamara didn’t know anything about Vietnam – nor did those around him. But then, the American attitude in that era was that one didn’t have to know the culture or history of a place in order to engage in successful warfare in the respective theatre. What was needed was the right data, a proper analysis of the information, and an application of military superiority to win the war. McNamara spearheaded the Pentagon’s effort in Vietnam until 1968. McNamara applied all the right metrics – bombing missions flown, targets hit, captives taken,

weapons seized, the enemy's body-count. Another metric, the American troops' own body-count at some point began informing him with equal certainty that America was losing the war. Initially this baffled McNamara. Things began unravelling seriously in 1965. Ordered to win the war, McNamara stepped up his statistical war of attrition by approving ever more troop increases. On the home front, resistance to the war grew. At the height of the conflict he was denounced as a baby-burner; his own son joined in the protest marches against him. As he later admitted in his penitent memoirs, he had learned the hard way that he had not understood the variables of war itself – most important of which was that numbers capture neither the human condition nor human activity. As McNamara came to realize, hard quantitative data can have a decidedly soft and qualitative underbelly. In the case of the Vietnam War, human factors played a decisive role – the enemy Vietcong made every single person count. Of the 11 lessons to be learned from McNamara's war in Vietnam, regrettably, this and most of the others occurred to him too late to be of much help.

Sources: The Economist, Obituary on Robert McNamara, 11 July 2009; *TIME (Europe)*, L.H. Gelb: Remembrance – Robert McNamara, 20 July 2009.

Insight-driven Strategy

Insight plays a key role in the strategic thinking process. While we explore the notion of insight in greater detail in Chapter 3, suffice it to say here that insight formation involves a complex combination of analysis and intuition – and that not all insight is equally relevant or useful to strategic thinking. The key to good strategic thinking lies in knowing what insight to seek and pursue. Collis and Montgomery (2008)¹⁴ argue that two potentially powerful insights

relate to the organization's capabilities and the competition it faces. These delineate the opportunity for creating unique value, which in turn forms the basis of competitive differentiation.

Strategic insight is an outcome of the strategic thinking process; hence the emphasis in this book on an *insight-driven* approach to strategy. Strategic thinking is the vehicle for delivering insight. It provides the systematic and structured approach that draws on *sense making* to bring into balance rational analysis and intuition, experienced-derived judgement and knowledge. Leonard and Swap¹⁵ (2005) refer to the collective outcome of these components as "deep smarts". Strategic insights serve a number of purposes. They are outcomes of sense making at individual stages of the strategic thinking process. However, they also help to guide and align the thinking process through its various stages. Ultimately, individual strategic insights, when collated like pieces of a puzzle, contribute to the emergence of a reconstructed "bigger picture" of the firm's competitive landscape. Inevitably, this picture is never complete. However, if properly executed, the strategic thinking process ensures that the pattern which emerges is sufficient to identify potentially suitable options for strategic action. To that end, strategic insights collectively contribute to and enable the formation of potentially suitable strategic options in the emerging competitive context. Strategy formation is a dynamic process that presents the strategist with a range of options, of which one represents the most suitable option. Seldom, however, does a single "right" strategic response emerge as an outcome of this activity. In practice, the selection of a strategic option involves some degree of compromise. Insight supports the process whereby options are evaluated and ultimately selected.

Real competitive environments are highly complex and messy. This presents limits to the degree to which strategy making can be formalized. We need to allow for circumstances under which strategies emerge inadvertently, without deliberate intention on the part of the organization's management. The premise of this book is that while real strategy is not programmable as such, it does not mean that our approach to strategy needs to be haphazard. The purpose

of this book is to guide the reader through the thinking process that results in good strategy making in a real-time context.

STRATEGY IN PRACTICE: INSIGHT-DRIVEN STRATEGY VERSUS STRATEGIC PLANNING

- Today's fast-paced, continually changing competitive environment leaves little room for the strategic planning approaches practised in many companies throughout the 1970s and 1980s; few companies today enjoy environments that allow any meaningful planning by numbers in time frames of five and more years into the future.
- Insight-driven strategy enables a very different approach; while offering a systematic and structured strategic thinking framework, it draws on multiple inputs and variable time frames; it balances the hard numbers (where available) with the "soft" indicators emerging from complex contexts.
- The key to implementing an insight-driven approach to strategy begins with a mindset that is prepared to challenge assumptions and that is comfortable with non-quantifiable measures and inputs.
- Paraphrasing Kevin Kelly,¹⁶ insight-driven strategy "seeks not so much to perfect the known, rather to imperfectly seize the unknown"; it is congruent with an organizational culture that embraces experimentation and learning.
- What is your organization's mindset? One that is more in tune with strategic planning or one that is amenable to insight-driven strategy?

"Strategy *in* Practice" or "Strategy *as* Practice"?

This book is about "strategy *in* practice". It aims to provide guidance to the management practitioner engaging with strategy in the

practice field. Hence, it is about how strategy should be approached *in practice*. How is the focus on strategy practice pursued in this book different from the school of thought that has emerged in recent years known as “strategy *as practice*”? To the extent that the latter focuses on bringing the *thinking* element back into strategy (Whittington, 2002;¹⁷ Balogun et al., 2007¹⁸) the approach developed in this book is largely consistent with the underlying conceptual thrust of the “strategy *as practice*” school. However, this book neither purports nor aspires to contribute to the institutionalization of any particular school of strategy, including the “strategy *as practice*” approach (which, incidentally, has been critiqued for adopting an unclear and contradictory definition of “strategy practice”¹⁹). The purpose of this book is first and foremost to provide the strategy practitioner with the appropriate managerial wherewithal for strategic thinking, not to contribute to the cause of any particular school of strategy.

Summary and Structuring of the Book

This chapter began with a review of the current dilemma most business leaders face when confronted with strategy and strategy making, despite the proliferation of strategy theory in recent years. Given the ongoing discourse on what strategy *is*, it is probably more meaningful to focus on what strategy is *about*. It is about winning; about achieving superior performance relative to competitors in creating and delivering a superior value offering. Ultimately, however, strategy is a *practice discipline*. Indeed, many of the difficulties experienced by managers in dealing with strategy relate to the sheer complexity, ambiguity and messiness of management practice in the competitive environments of organizations. This requires a strategic thinking process that draws on a balanced combination of systematic analysis and intuition leading to insights relevant to strategy making, hence the centrality of the theme *insight-driven strategy*.

The following chapters of this book (shown schematically in Figure 1.1) lead through the insight-driven strategic thinking

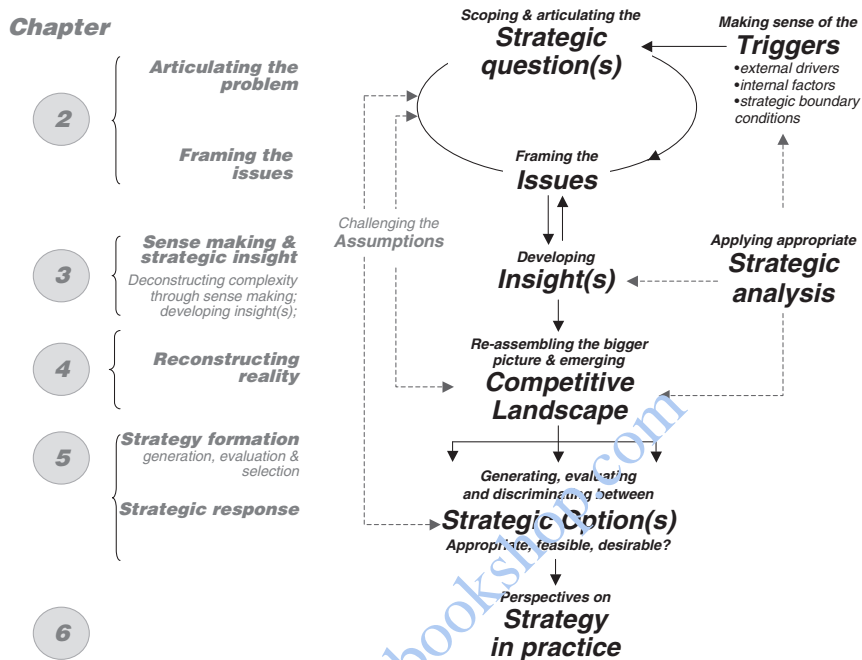


Figure 1.1 Strategic thinking process and roadmap for this book

process. We begin with the articulation of appropriate strategic questions in Chapter 2. Managers and their teams are often at a loss where to begin with strategy. In Chapter 2 we focus particular attention on the “fuzzy front end” of the strategy process. A lot is at stake at this stage; setting off in the wrong direction by only a few degrees ultimately leads to large deviations and failure down the road. Strategy necessarily begins with knowing where to concentrate the thinking effort. While there may be many problems facing a company, getting to the core of the strategic problem and framing those questions that will really make the difference is the key to getting started. Presumably there are many seemingly important questions of strategic relevance that demand to be addressed by a business leader – yet, arguably, the ones that at any point in time really make a disproportionate difference to the company’s competitive positioning are relatively few in number.

Failure to get those relatively few really critical high-level questions “right” inevitably leads to severe consequences for the business. Strategically relevant questions invariably arise in the face of triggers that might be driven by external or internal factors. We examine how to apply an analysis of these triggers to frame the relevant issues – thereby enabling us to break down the higher-level strategic questions into more manageable clusters of sub-questions.

The next stage to resolving the high-level strategic questions involves generating insights through sense making and scrutiny of assumptions. In Chapter 3 we explore the notion of insight. Taking the high-level questions articulated in the previous stage, issues that are framed in the course of deconstructing the current reality trigger the sort of insight required for sense making. Chapter 3 describes this stage of the strategic thinking process in which the complex context of the organization’s reality is deconstructed through judicious application of appropriate frameworks and tools of strategic analysis. Intuition plays an important guiding role at this stage as well. Intuition guides the selection and piecing together of the insights that emerge from the sense making. It is essential for the contextualization of the situation under investigation. The bits and pieces of insight that emerge from this sense making exercise as well as the intuition that has been drawn on for this stage are then subjected to reality checks through scrutiny and challenging of assumptions.

Chapter 4 is devoted to the subject of strategic analysis. We examine how analysis is used to generate insights required for strategic sense making. Tools and models of strategic analysis have their role in the strategic thinking process, though the role is probably a lot less prominent than most managers would assume. In practice, we find that managers very quickly lose sight of the forest for the trees when trying to apply strategy tools. There is no end to the complexity and sophistication of analytical tools on offer in the strategy business. But here the old adage “rubbish in, rubbish out” holds, if it does anywhere. Tools and methods of strategic analysis do not replace good thinking. If properly applied they can provide useful bits of insight. A basic premise of this book is that a few good frameworks

applied appropriately to support strategic thinking can yield a disproportionate amount of insight. It is important to know which tools to use and how to use them. In this chapter we review some of the more powerful frameworks, their application and their limitations. In this chapter we also explore how the insights generated during the sense making stage are subsequently assembled – not unlike pieces of a puzzle in the reconstruction of a bigger picture that represents the competitive landscape of the organization in question, albeit an incomplete one. Intuition again plays an important role during this stage. Research on intuition suggests that its usefulness at this stage derives from insight related to reflected experience²⁰ – experience in knowing what to look for, where to look and how to integrate the new insights into an existing pattern of understanding. Intuition enables the experienced strategist to perceive patterns where many might not. This is often all there is to go on for decision making – management reality is riddled with incomplete pictures that beg nonetheless to be appropriately interpreted and to be made sense of.

Up to this point the focus has been on strategic thinking and sense making. Strategic thinking and sense making, if properly executed, have enabled us to identify a bigger picture, which even if incomplete, nonetheless reflects the relevant attributes of the firm's competitive landscape. We might well ask at this stage: so, what now? In Chapter 5 we explore how we use the outcome of strategic thinking and sense making to create appropriate strategic options. This stage focuses on the derivation of strategic options; on the formation of suitable strategy. Strategy formation is highly dependent on the specific circumstances of the firm, hence it is very different from firm to firm. We draw on an approach proposed by Mintzberg (2009)²¹ that categorizes firms' strategy-making mechanisms according to four basic configurations; these reflect degree of maturity and dynamics of the competitive environment. We explore the implications of strategy formation in practice.

Once formed, options must be evaluated and narrowed down to one or possibly two that represent the most appropriate choice under

the given circumstances. We close Chapter 5 with a review of some systematic approaches to evaluating and selecting suitable strategic options.

In Chapter 6, the final chapter of the book, we close with reflections on strategic thinking and insight-driven strategy from various practice field perspectives. We explore why organizational configurations show variations in their predisposition for strategy making. We derive implications for the organization by exploring both the scope and limitations of strategic thinking set against constraints imposed by the reality of firms' competitive context and dynamics. In this way, the book ends with a reality check and some recommendations for enhancing the impact of strategic thinking.

It is only appropriate that we review some final caveats and pointers before delving into the strategic thinking framework which is examined in the subsequent chapters – the final boxed insert below summarizes these:

STRATEGY IN PRACTICE: SOME PRACTICAL POINTERS ON THE STRATEGIC THINKING FRAMEWORK

- The strategic thinking framework mapped in Figure 1.1 is not intended to be used mechanistically. Management reality is intrinsically complex and riddled with ambiguity. Any approach to strategy making must reflect this reality. Therefore, the strategic thinking process proposed in this book is primarily to guide and challenge the strategy practitioner's thinking and reasoning process from the articulation of compelling strategic questions through to their appropriate resolution.
- Although the structure of the framework would suggest a series of "top-down" activities, the strategic thinking process is, in fact, highly iterative and features multiple feedback loops throughout.

- There is no single “right answer”; there is no “one-size-fits-all” in strategy. Management situations are highly contextual. A response that addresses the circumstances of the complex contexts in question often calls for compromise between possible solution approaches. Therefore, the outcome of the strategic thinking process should be viewed in terms of strategic options that range from “suitable” to those that are clearly “less than appropriate”. The framework enables the strategy practitioner to develop substantive arguments in support of the most suitable strategy option.
- The framework relegates strategic tools of analysis to where they belong – in a supportive role, to be drawn on very selectively to develop relevant insight where required. Managers often find themselves entangled in the dense undergrowth of strategy frameworks, thereby losing sight of the wood for the undergrowth. There is no end to the sophistication of strategy tools nowadays.
- Used appropriately, however, even simple frameworks such as the SWOT (strengths, weaknesses, opportunities, threats) framework can deliver useful pieces of the puzzle to be constructed. We will see in Chapter 4 how some relatively simple models can be integrated into more comprehensive, integrated frameworks that in turn can deliver powerful insights.

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