

## **Don't let tactics keep you from building transformational strategy**

"If I'd asked people what they needed, they would have said, 'faster horses'."

That quote, apocryphally credited to Henry Ford contains an important lesson: people don't traditionally think outside of their current state. It's no sin; it's how we're raised and rewarded. It's who we are. But the result of it is that most ideas are simply minor improvements of existing innovations. The rare visionary that dreams up something truly novel is applauded, but quickly dismissed when her next big idea misses the mark.

In a big company, this hurts us in two ways. First, by keeping an upper limit on all forms of innovation. The simplest process improvements to pie-in-the-sky reinventions of what we do are all pressured by our preconceived notions of what is possible. Innovation becomes an asymptotic exercise of getting close to disruption, but never really getting there. But I've written about that one ad nauseum. Today, I'm swimming upstream to how this mindset can keep us from a purified practice of strategy.

Strategy is the letter we write to the future. It tells our future selves about the depth of our commitment to drive value in the opportunity spaces that arise in our changing world. It defines why those things are important and lays out the stakes if we fail to get there. It is tactically agnostic by axiom. But that's not how it usually turns out, is it?

*Note: I realize that there's a lot more to strategy than what follows-- more layers, OKRs, KPIs, and tactical considerations. But if we don't do a great job at this top-level, north-star strategic thinking, everything else that emerges from it will suffer. Garbage in, garbage out...*

Can you articulate your strategy without mentioning the current tactics you employ? Why is that important? Because tactics are the now. Peering into the future is difficult when looking through tactic-colored lenses. Consider: you're pondering strategy for your lawn mower factory. You come up with "lead the middle-market through lawn-mower innovation in the areas of price, features, and value." You proudly paint it on the wall on the production floor, and you set your product teams to work to drive results to that strategy. But you made a critical mistake: you hung your strategy on a tactic-- building lawn mowers-- and inadvertently limited your team only to stuff that already exists. And while you may execute flawlessly on this strategy, if the world changes, you'll be huddling up between Kodak and Blockbuster Video for a group selfie.

Fixing this problem isn't easy, but it makes all the difference. Let's go back to your lawn mowers. After looking at your first strategy, you reconsider. You ask yourself: "what outcomes are my customers trying to accomplish?", "what competitive advantage does my company have when it comes to serving consumers in the larger lawn care opportunity space?", and "who could we partner with to accelerate our journey into the future". Now you're really practicing strategy. Your new one sounds like: "we will understand our customers' needs better than they do; our products will surprise our customer and make our competitors look anachronistic; we know that we don't have all the right knowledge and resources to do it, so we'll partner with others to shorten the learning curve." While that may sound like a vision statement, it's actually a bold statement of strategy.

Why does the new one feel so different? Several reasons. First, it's future focused. Not just a year or five years, but a future of infinite scope. That tells us that while short-term goals are important, we're committed to playing the long game. Second, it focuses on customer outcomes, not business outputs. Did you hear anything about lawn mowers in there? Heck no. But I did hear that we would meet customers' needs in a way that surprises and delights. And third, I'm hearing that it's OK if we don't have all the answers, as long as we find someone that does.

If you were on that product team, on which strategy would you rather work? Sign me up for the second one. I get it, the first one *would be* easier. But it's what you call an "informed harvest" strategy. That is, a strategy that helps us figure out how to milk the last dollar out of a mature or dying market. There's no sustainable future in the informed harvest, just more frustration every year until there's a padlock on the factory door.

Don't be limited by what doesn't exist. Embrace strategy quarantined from the tactics that define it today. Use KPIs and OKRs to put some timing and metrics around success, so that you are able to simultaneously build for today and anticipate for tomorrow. Hold stakeholders accountable to provide the resources necessary to carry out the strategy. Then hold on, and enjoy the rollercoaster.

To close, consider what this type of strategic thinking could look like for key functions of your enterprise. Not to suggest that is isn't going on at a high-level, but if you were leading the effort, what might it look like. Use the "mad lib" format below to test your discipline. Share it in the comments when you're done, and ask questions and give neutral feedback on what others submit. And have fun-- strategy is only stressful when we put too much pressure on ourselves to know the future today. It's fun when we use it to give ourselves well-scoped permission to change the future through actions we make take many years from now!

### **The mad lib:**

1. *Call out the tactics/products:* In \_\_\_(biz unit)\_\_\_, our chief tactic(s) are \_\_\_\_\_(tactics)\_\_\_\_\_. We believe that this tactic is attempting to accomplish \_\_\_(outcome)\_\_\_ for the customer.
2. *Think in terms of opportunity spaces, not products:* What customers may be really trying to achieve is \_\_\_(outcome)\_\_\_\_\_. Our company is really good at \_\_\_\_\_(core competencies)\_\_\_\_\_, which could help us in \_\_\_(opportunity space)\_\_\_\_\_. But to get it right, we'll need \_\_\_(resources, partners, roadblock removed)\_\_\_\_\_.