



Strategy versus Operational Effectiveness (OE)

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Generally, strategy can be defined as a plan, method, or series of actions designed to achieve a specific goal or effect ([Wordsmyth-Dictionary, 2020](#)). To be more precise, strategy can be defined within the context of five aspects: Plan, Pattern, Position, Perspective, and Ploy, which are known as the 5Ps ([Mintzberg, 1987](#)). I genuinely find that the 5 Ps can be contained under the context of the growing paradigm of “Strategy as Plan”, especially when

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the term “maneuver” is added to the mix. Otherwise, we can look at the 5 Ps as the main collective ingredients required to produce a successful strategy not by competing with each other but by complementing and integrating on different levels varied between zero to 100% ([Mintzberg, 1987](#)).

On the other hand, we shall differentiate between Operational Effectiveness (OE) and strategy. Both OE and strategy, particularly strategy as “Position”, focus on the organization in the context of a competitive environment among its rivals ([Mintzberg, 1987](#), [Porter, 1996](#)). With time, companies might tend to focus more on the OE to respond to the demand of “today’s dynamic markets”, which can lead to a destructive competition where marketing positions are being copied ([Porter, 1996](#)). The root cause of this problem is generated as a result of not entirely understanding the difference between OE and strategic positioning ([Porter, 1996](#)). OE is about performing “similar activities better” than rivals, while strategic positioning is about doing “different activities form rivals” or “doing similar activities in different ways” ([Porter, 1996](#)). If companies counted heavily on OE, continuous operational improvement is required to maintain a progressive OE ([Porter, 1996](#)). However, as time goes by, the gap in the OE between this company and its rivals will eventually narrow to the limits that it will finally push the company to utilize a real strategy to protect its existence and to find a strong market position ([Porter, 1996](#)). To illustrate, the commercial printing industry in the USA (with 5 billion-plus) counted extensively on OE, and now their gain is captured by customers and suppliers ([Porter, 1996](#)). Additionally, relying on OE to grow can be a result of market culture. That happened to many of the Japanese companies that did not have real distinguished strategic positions. These companies were doing well until the end of the last century when they started to be trapped by their ignorance toward developing their strategic positions ([Porter, 1996](#)).

MINTZBERG, H. 1987. The Strategy Concept I: Five Ps for Strategy. *California management review*, 30, 24.

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PORTER, M. E. 1996. What Is Strategy? *Harvard business review*, 74.

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