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HBS → ISC → Strategy → Business Strategy → Operational Effectiveness...

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Operational Effectiveness vs. Strategy

Too often in today's companies, managers mistake operational effectiveness with strategy. Both are important. Both help drive superior performance. But managers who neglect strategic positioning can wind up like a hamster on a wheel – running hard while standing still.

Operational Effectiveness: Too Much of a Good Thing?

Total quality management. Benchmarking. Time-based competition. Reengineering. Change management. The quest for productivity, quality, and speed has spawned a remarkable number of management tools and techniques.

The resulting operational improvements have often been dramatic. Yet many companies have failed to translate those gains into sustainable profitability. Simply improving operational effectiveness does not provide a robust competitive advantage because rarely are “best practice” advantages sustainable. Once a company establishes a new best practice, its rivals tend to copy it quickly.

Strategy is about doing things *differently*, not simply doing them better than everyone else. And it's the key to competitive advantage.

Operational Effectiveness vs. Strategy





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