

Strategic Thinking For Managers

- *Dr. Dave Newton*
EEECenter.org



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Practical Applications

- *Common Sense Concepts*
- *Improve Strategic Overview*
- *Understand Strategy Execution*
- *Praxis: Case Examples*

OBJECTIVE: *Strategy vs. Operations*

Closing Gaps: Time + Resources

Develop Internal Relations

Improve Positioning + Results



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Porter - Ansoff - Christiansen - Williams - Newton
strategy fulfillment

SPECIFIC to you + your firm/org

strategic relationships

SPECIFIC to you + your firm/org



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Strategy \neq long term

Strategy has 1 objective

- objective has goals
- tactics hit goals

Strategic positioning



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Bill Hall (HBR 1980)

There are only 2 success strategies.
You either have the *lowest cost*
or the *most differentiated position*



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Strategic Leverage

- *amazing product tech break-thru*
- *streamlined process*
- *major cost advantage*
- *exclusive market access*
- *new distribution method*
- *enhance other platforms*

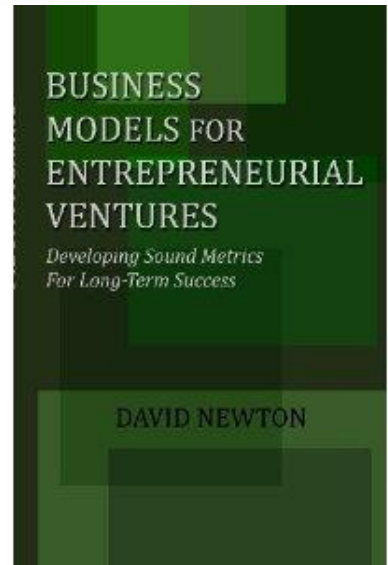


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Success Metrics

- BizModel, MBV
- Sales (*repeat, growth, new*)
- Gross + Net Margins, EBITDA
- ROI, ROE, IRR, Firm value
- Market Share, New Customers



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Strategy ≠ internal operations
strategy defines internal ops

(strategy never defined by operations)

internal ops support strategy

(strategy not an operations support)



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Best Take-Aways



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**5:25
Break**



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1- external **e**nvironment

2- **i**nternal capabilities

posture

3- **p**ositioning exposes gaps

4- **c**lose gaps time +

resources

5- **e**xecute, **m**onitor, **a**ssess



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*external
internal
positioning
plan
metrics*

*sensing-monitoring
functional audit
posture on environment
close gaps/reposition
assess success*



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environment

1. repetitive

2. expanding

3. changing

4. discontinuous

5. surprise/shock

capability

custodial

production

marketing

strategic

flex/pivot

response

stability

reactive

anticipatory

entrepreneurial

creative/pre-empt

Your Firm/Org



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Anticipatory - Proactive

1- Clear Change Signals

What is This?

2- Competitive Battles

What does this mean?

3- Strategic Choice

How do you interpret options?



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R+D

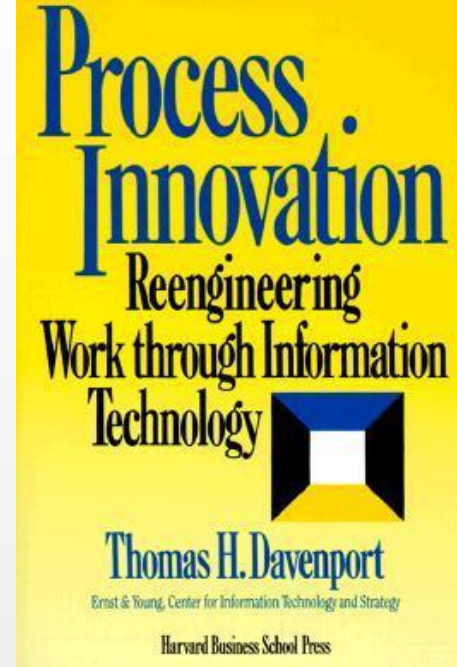
Engineering

Design

Re-engineering Re-design

Process Innovation (*increments*)

Continuous vs. Discontinuous



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RENEWABLE ADVANTAGE

CRAFTING STRATEGY
THROUGH
ECONOMIC TIME

JEFFREY R.
WILLIAMS

Williams “Renewability Advantage”

Slow-cycle

Standard cycle

Fast-cycle

Isolating Mechanisms

VALUE:

1. Arises
2. Decays
3. Renewed

3 WAYS:
*Convergence,
Alignment,
Renewal*

Strategic Staircase

Apple, Amazon, Google



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Shifting energy forward more effectively than your rivals and gaining advanced commitments to the future is the ultimate responsibility of strategy.

Managers must utilize the steps that can help to identify early on, and secure commitment to, those decisive initiatives that shape a company's future.

*Assets are not capitalized—visions are.
At least 70% of the value of a typical company is based on expectations of performance beyond the near term.*



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Porter's 5 Forces

supplier + buyer power

rivalry

substitute + new entrant threats

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**MICHAEL E.
PORTER**

**ON
COMPETITION**

Updated and Expanded Edition

a Harvard Business Review Book

The Five Forces That Shape Industry Competition



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Best Take-Aways



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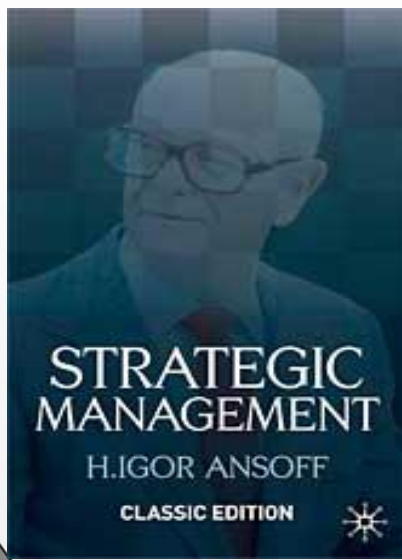
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6:25
Break



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Ansoff's Matrix

Existing vs. New Markets

Opportunity Focus: Weak + Strong Signals

Existing vs. New Products

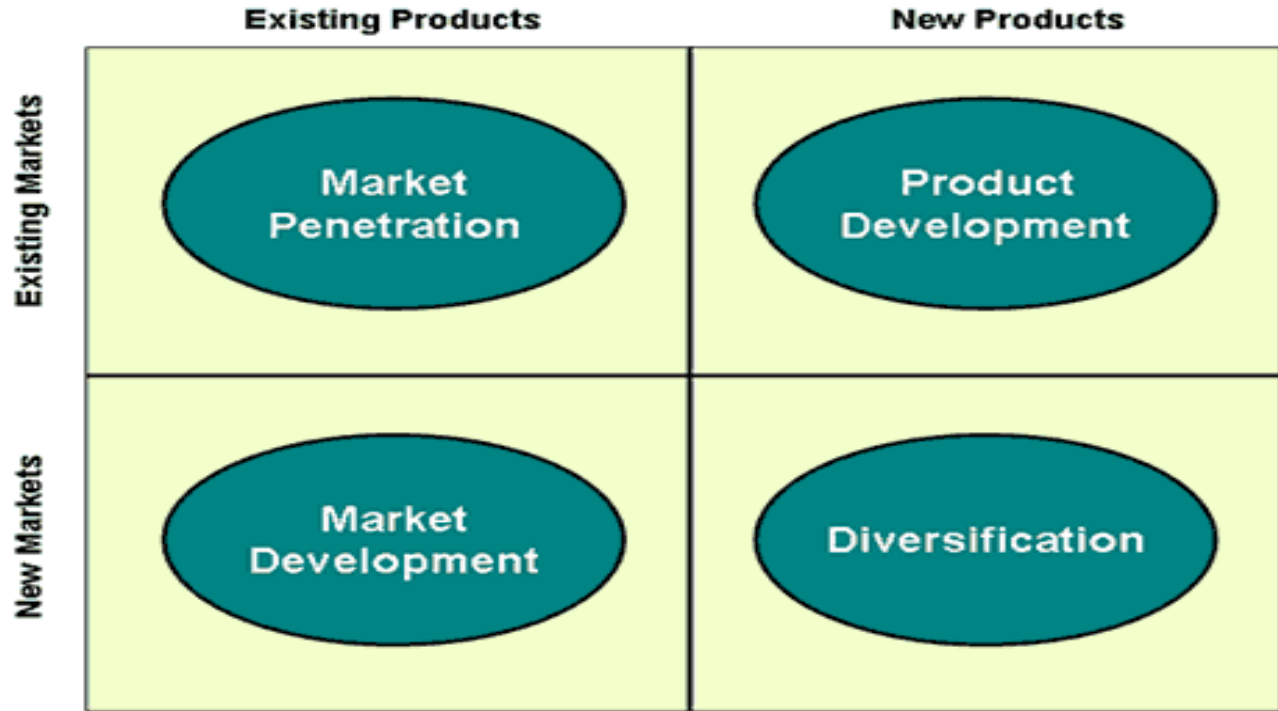
Level and Form of Innovation



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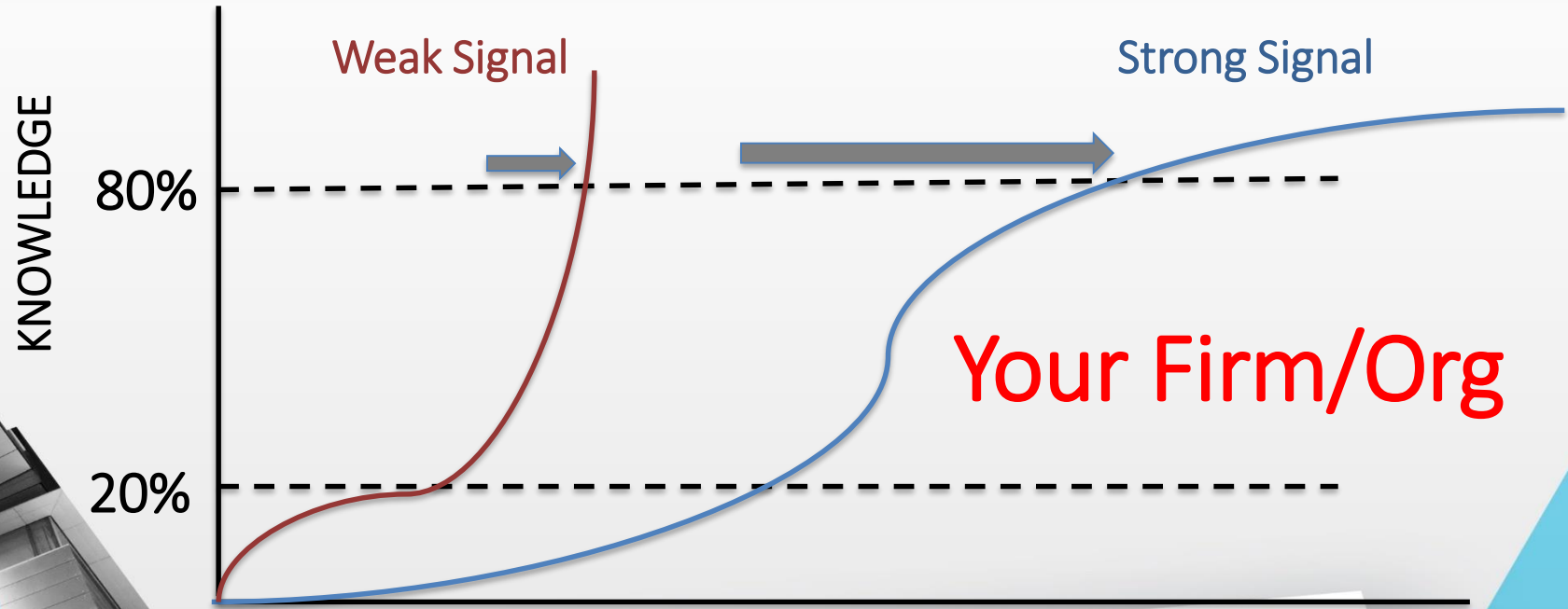
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behavior must become systematic



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1-PROBLEMS

EXTERNAL

Adaptation

Transaction

INTERNAL

Dynamics

Config

S

NS

Sense

Decide

Execute

Cognitive
Logical

Psycho-
Social

Political

2-PROCESS

3-OPTICS

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newton*Strategy* MATRIX

RESOURCES

| | | Sufficient | Lacking |
|------|-----|------------|---------|
| TIME | Yes | 1 | 2 |
| | No | 3 | 4 |



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newton*Strategy* EXECUTE

Correct
Wrong

MOVE

Early

Mid

Late

Lead

Pack

Lag

Alone

Behind

Miss Opp



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Strategic Business Unit Model

Competitive Position

Leading
Strong
Favorable
Tenable
Weak
Nonviable

| | | | |
|-----------|-----------|-----------|-----------|
| Build | Build | Build | Build |
| Build | Build | Build | Maintain |
| Build | Build | Maintain | Liquidate |
| Build | Maintain | Liquidate | Liquidate |
| Maintain | Liquidate | Liquidate | Liquidate |
| Liquidate | Liquidate | Liquidate | Liquidate |

Embryonic

Growth

Maturity

Aging

Industry Maturity

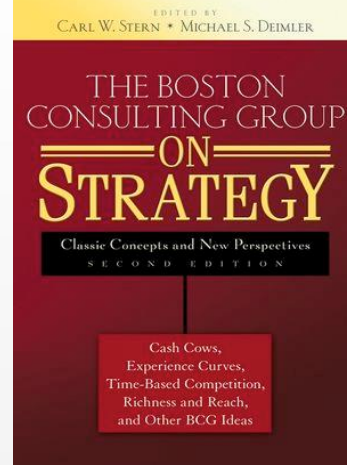
Source: Arthur D. Little

1000ventures.com



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Market Growth
Pace + Sustainability
Market Share
Size + Scalability



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External Turbulence

*“You can really observe a lot
if you keep watching.”*

*When you come to a fork in
the road . . . take it.”*



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