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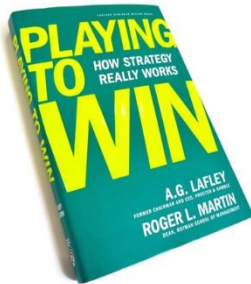
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Playing to Win: How Strategy Really Works

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One of our approaches for Marketing workshops is to ‘seed’ key themes and concepts in advance. For an upcoming Marketing Plan in Action (MPIA) 5-day workshop for a European-based healthcare client, we have chosen *Playing to Win* (Harvard Business Review Press, 2013) by A. G. Lafley and R. Martin as one of the pre-readings. Lafley, of course, was CEO of Procter & Gamble during the 2000s when the company doubled its number of billion-dollar brands and its market capitalization.

With my own background at P&G Marketing in the early 1980s, I have seen its rise and stumbles and rise again first-hand and as a keen observer. In the ‘rise’ department, I was part of the team that rolled out elastic-legged Pampers which helped reverse private label growth and narrowed the branded field to just Pampers/Luvs from P&G and Huggies from Kimberly-Clark. In the ‘stumbles’ department, I was the junior Marketing person on ‘Wondra’ hand and body lotion. You’ll be forgiven if you don’t recall this thicker, ‘non-greasy’ brand. It turned out that women (particularly) seemed to be of two minds. In surveys, they liked the concept of a non-greasy product but in practice, the ‘greasy’ afterfeel was reassurance that the product was actually on the skin. It also didn’t help that arch-rival Unilever flooded the market with bonus packs for Vaseline Intensive Care. Suffice to say, Wondra did not last long but, fortunately, my career at P&G survived and I learned a couple of important lessons. But I digress...



What Lafley and Martin do in *Playing to Win* is to build upon the work of strategy gurus like Michael Porter (differentiation vs. cost leadership, value chain, 5-forces, etc.) and articulate five ‘decisions’ which organizations from start-ups to multinationals must consider, as follows:

What is your winning aspiration?

This essentially is a goal-setting stage. The authors reject the flowery prose contained in most Mission/Vision statements and challenge organizations to describe what ‘winning’ would look like in more concrete and (importantly) customer-oriented terms.

Where will you play?

This is the process of selecting the ‘playing field (pitch)’ where winning will be most feasible. This starts with a comprehensive environmental scan and identifying markets and market segments which are most attractive. I have written elsewhere on the crucial importance of S-T-P (segmentation-targeting-positioning). I learned this lesson later in my career in the heartburn remedy market where only heavy heartburn sufferers were truly interested in the proposition of a relatively expensive, once-a-day pill that



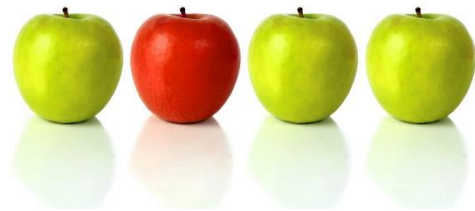
could help them 'eat the foods they love'. Since this small group (25% of sufferers) accounted for over 60% of total purchases, we were happy to 'ignore' the rest of the market!

How will you win?

Lafley and Martin make several interesting observations about competition including when is it appropriate to tackle major competitors head-on vs. look for 'white space' where few direct competitors exist. One key take-away is that achieving a sustainable competitive advantage takes ongoing efforts to 'delight' the customer and can be quickly destroyed by a nimble competitor. Whether it's a cost advantage or a customer-focused differentiation advantage, you cannot rest on your laurels. In either case, ongoing meaningful differentiation is key!

What core capabilities are required?

Some observers have contrasted Lafley vs. his predecessors with the latter being more focused on buying their way out of a lackluster growth problem with expensive acquisitions. Lafley's approach was to build on core competencies like P&G's global reach, product development and solid brand-building expertise to focus on growing billion-dollar brands in underdeveloped markets like China. Of course, P&G under Lafley did purchase Gillette in 2005 in a \$60-billion stock deal. Lafley also reached outside P&G (particularly through customer networks) to seek input to product development and customer care solutions. The authors suggest that organizations should 'map' all of their activities to confirm that they support 'how to win' strategies and that they are competitively advantaged. I have worked in joint-ventures and the more successful ones were where there was true (and respected) interdependence among the partners, and core capabilities were assigned to the partner who excelled in that competency, with minimal overlap.



What management systems are needed?

This is the 'wiring' that intraconnects the organization as well as connects it to the external environment. The authors suggest that a key consideration is to confirm that everyone knows what they are trying to achieve and that the metrics are aligned to key goals. I recall a leadership summit I attended a few years ago where randomly-picked employees were asked to summarize the organization's key goals and the blank stares that greeted this question said it all. Lafley used a one-page summary for each major business that confirmed goals, strategies and the key metrics that defined success ('winning') and then ensured that the entire organization understood what they were trying to achieve.

Other Thoughts

Lafley and Martin suggest some other key success factors as follows:

- Keep it simple. Strategies which are not easily described or understood are probably not easy to execute either.
- It must be dynamic. The five 'decisions' do not proceed in a linear fashion. For example, Core capabilities ("playing to our strengths") may strongly influence "How to win".



- Nothing stays the same very long. This is a recurring theme in the book. Keep investing in your core capabilities.
- Build strategy as a team. Top-down strategy formulation may appear to be efficient but is often not very effective as commitment and basic comprehension may be compromised.
- Look for weak links in a proposed strategy. The insightful question the authors suggest we ask is, *“What would have to be true for this [strategy, tactic, idea, etc.] to be a good idea?”* You then isolate the weakest parts of the supporting argument to ‘test’ if the weakness can be neutralized. If not and it’s important, reject the strategy. If I had applied this to my Wondra experience, I would have challenged the idea that women really wanted a less greasy hand and body lotion or that Unilever would ‘lie down’ and let us steal their market share.
- Avoid ‘strategy traps’. A couple of the obvious ones are to over-reach by either trying to target *all* potential customers (ignoring Pareto at your peril) or setting unrealistic goals that never get translated into where to play and how to win strategies.
- Look for success markers. Some of these defy conventional thinking such as having successful competitors – which might mean they are ‘content’ not to attack you! Others include having competitors who attack each other, cultivating interdependent customer relationships and creating a unique and hard-to mimic business model.

Final Thoughts

In some ways, Lafley and P&G had no place to go but up given its weakened position at the close of the 1990s. As well, the branding ‘foundation’ for many of its iconic brands such as Pampers and Gillette was already in place. Nonetheless, there is clear evidence that Lafley made the best use of these assets and was brave enough to focus resources on intensive ‘where to play’ and ‘how to win strategies’ while divesting a host of non-core brands and activities. Seeking this clarity of focus is perhaps the most helpful take-away message in the book.

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