A FEW WORDS:

ARTICULATING STRATEGY

The art of resource allocation

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The challenges that Juniper Networks faced during my time there were excellent teachers. These challenges included a slowdown in the central markets Juniper had grown through, a global economic slowdown that was prolonged in Europe, and the need to pivot to new opportunities, a journey that included business transformation - something that is arguably better pursued inorganically than organically (per Clayton Christensen's late in life observations).

My time at RHK/Ovum-RHK was also a time of strategy consulting and market/industry insights. Here again, an environment of intellectual curiosity was frequently present. Special thanks to John Ryan, Peter Hankin, James Kent, and all my colleagues there. By extension, a special thanks during that time to all I interacted with, including technology suppliers, press, and financial analysts.

To all the people I have worked with over multiple decades as an IT consumer or supplier, I have learned from every experience. I can now sleep at night with the mantra, "Forget the mistake and learn the lesson." :-)

Insights about business and strategy do not come from only working in strategy groups or one operations role; they come from touching many aspects of a business. Insights about strategy for our personal lives also come from many different experiences. To all that have touched my life during this journey, thank you.

To friends and "family," you know who you are, you have sustained me during the ups and downs of life, and I owe some part of my mental health to you. There are no words to express my gratitude.

PREFACE

This document, a small book, was largely created over a weekend, in response to a LinkedIn discussion with a marketing influencer. For many years I have seen people struggle with what strategy is and how to talk about it. This LinkedIn conversation reinforced with me that it is a much simpler subject than it often feels like, and it should be much easier to have a common understanding of it within companies.

This document is going into the public domain because it is mostly a weekend stream of consciousness instead of a lovingly designed and curated book.

Share feely and provide any feedback you wish to: m_seery@yahoo.com. The only ask I have, is stick to a topic, don't make it about me/don't make it personal.

INTRODUCTION

What, Why, and How

If you can describe what, why, and how of anything, you are well on your way to describing the "strategy".

- What is the desired outcome?
- Why is the desired outcome being pursued?
- How will the desired outcome be achieved?

If you only have one or two of the above, there are consequences.

If you only have…	Consequence
What	You may achieve something, but in a way that is not consistent with the "Why".

	Furthermore, without a commitment to the “How”, chances are you will not achieve anything meaningful
Why	Without the what and how, you do not have a thesis on how the why will be realized
How	You really have no idea what you are doing or why you are doing it. Managers who lead people in this way are always taking risks, which they try to mitigate with micromanagement. People who are used to being managed in this way, give up on caring about the what and why.
What and Why	This is a brainstorming proposal. Without a commitment to the “how” there is no way of knowing

	if the what and why can or will be realized.
What and How	Mindless execution where unsupervised decisions will be made without referencing the why. Once again, managers try to mitigate this with micromanagement.
Why and How	If you do not know what you are trying to achieve, any outcome will do.

Get in the practice of describing what, why, and how for everything you do. This will be a foundation of a more strategic and purposeful mindset.

A Resourced Plan and Thesis on How to Win

"Today, we will defeat the enemy!!"

Not a strategy.

"Today, each person will fight like they have never fought before. No one will give up until we take that hill."

Leading your army into a no-win situation that requires luck and/or a miracle is not much of a strategy. It is more like rolling the dice. If you want to call the power of a charismatic leader to inspire the troops a strategy, knock yourself out, but I will sit this one out unless there is no other choice, and my life literally depends on it.

"Today, we will place 100 soldiers in the middle of the field. We will advance, triggering the opposing army to advance. When the opposing army has engaged us in battle just beyond the big tree, 200 soldiers will ride in on horses from the right flank. After the initial assault, 300 more soldiers will ride in on horses from the left flank, surrounding the opposing army. All fronts will then push the opposing army to the center, and we will slaughter them with our superior hand-to-hand combat skills and titanium coated swords."

Now that is a strategy! It is not a strategy because it is guaranteed to prevail or because it is in so many Hollywood movies. It is a strategy because it contains certain elements:

- A plan that sequences action.
- Clarity on what resources are available and how they will be allocated.
- A thesis on how the objective can be achieved

The only thing wrong with the above analogy is that real-life strategies are often about something other than defeating an enemy. They are about achieving a goal, for example, closing a sales deal or driving leads from a marketing campaign. It just happens that strategy examples are plentiful from military engagements, and they are often easier to understand than a business strategy because we are all used to thinking about military strategy from popular entertainment, such as movies.

WHY IS STRATEGY NEEDED?

Everyone has objectives or goals. How are those objectives achieved? With a strategy! More precisely, the execution of a plan with a purpose. Saying "I am going to do something" is not a strategy. It is a wish or an aspiration. Saying, "This is how I am going to achieve an objective" is a strategy. The old saying goes, "A goal without a plan is a wish." A strategy is not simply the desire to achieve something but the ability to achieve something through available resources and the hard choices to do one thing instead of another. If you are not making choices, you probably don't have a strategy.

The essence of strategy is the allocation and acquisition of resources.

This is the focus of this short book.

A strategy that has no resource allocation plan is not a strategy. It is a wish. One recognized test of whether there has been a change in strategy is whether there has been a change in the allocation of resources.

There are, unfortunately, times when leaders make public statements about what they will do without a meaningful thought as to how they will do it. These leaders are, in practice, telling people what they think they want to hear, "a strategy." In practice, without developing a plan to implement the strategy, there is no way of knowing if the "strategy" can be executed, and ultimately, no way of knowing if the strategy will be executed. Some will say this can be an approach to attracting money/a war chest so you can outspend competitors. Maybe, but market conditions do not always support this.

Did JFK know what it would take to go to the moon? Not only is that a different ball game discussed later, under "Government Strategy." "Moonshots" can take a long time, chew up significant resources, and even after all that, fail. Few shareholders in public companies embrace that. Even fewer CEO's can peel off that amount of resources from their everyday profitable operations.

The notion you can iterate your way to success is ok under certain conditions. In other situations, it is more akin to the general above inspiring the troops to fight as they have never fought before, for longer than before, and hoping for good fortune from the gods. Consider entering a mature market way behind all the features competing products have over 10, 15, 20 years or more. Without a strategy, you will get sucked into a sustained and exhausting feature death march to reproduce what buyers already have,

further limiting your success.

A strategy is needed to increase the effectiveness of resources. Think of strategy as a productivity accelerator, getting better results than a wish and a prayer.

STRATEGY VS. EXECUTION

Is there a difference between strategy and execution? I do not believe so. If there is a difference, it is marginal between the plan and the ability of a team to carry out the plan. Indeed, people's ability to follow a plan is part of a strategy. If a team cannot carry out a plan, the strategy should call for a different plan or a different team.

Sometimes entities, like businesses, have a different strategy group to their product/service/operations groups. It is good to have people who specialize in strategic thinking and can assist execution groups in strategy - decision support in general.

However, a common strategy saying is, "Strategy should be owned by those that execute it." This saying is similar to another, "The only strategy you have is what you are doing." What you are doing is your strategy, not what someone might think you should be doing.

An independent strategy group with no resources cannot execute a strategy. One of the biggest challenges independent strategy groups have is implementing their proposals. Independent strategy teams often discuss "how to translate strategy to execution."

Those that allocate and lead resources are the only ones who can implement a strategy; therefore, they must buy into it. Often this requires operations/functional leaders to create the strategy.

The critical takeaway is that only people who can implement a strategy are the ones that own resources.

A Proposal vs. a Strategy

A strategy with no plan is a document collecting dust in a closet, a mere "recommendation" that may not have ever been read, digested, and actioned.

The bottom line, a strategy document is not a strategy. A plan with resource

allocation and commitment are a strategy.

The rest of this document provides examples, primarily focused on Corporate and Business Strategy.

STRATEGY DEFINED

We often consider strategy elaborate or tricky thinking that outwits the competition. Perhaps the best example is "The Art of War," often attributed to Sun Tzu. For sure, this is an aspect of strategy. However, it is essential to note that not every objective or goal in life entails vanquishing an opposing army. The "enemy" is often the objective—the best way to achieve the aim with available resources. That said, much of what Sun Tzu says about the art of war does involve resource allocation.

Let's consider a few examples of the wisdom from The Art of War.

"If he is in superior strength, evade him."

Business and product managers sometimes need help to realistically assess what resources will be required for a strategy to be successful.

Underestimating required resources can lead to resource exhaustion. Leaders sometimes hold on to the idea that they can win if they persevere with incremental investments. Admirable, but often mistaken. Whatever resources you have, use them wisely with purpose and the ability to achieve an objective. Know the goal well and what it will take.

"Attack him where he is unprepared, appear where you are not expected."

An essential part of a strategy is looking for an insertion opportunity. For example, if entering a mature market, do not seek to emulate the well-entrenched incumbents. Seek to exploit a transition in the market or a compelling unmet customer need.

Attacking the incumbents head-on will lead to resource exhaustion unless you have a vast pool of resources. The incumbents have more resources and more features. Look to insert somewhere the incumbents are not paying attention to or optimally cannot or will not execute.

"The general who loses a battle makes but few calculations beforehand. Thus do many calculations lead to victory, and few calculations to defeat."

A strategy is not hand-waving about things that could or should happen. That might be part of the brainstorming process. Strategy is a well-thought-out plan on how to achieve good ideas. Those who say, "Let's point our guns in this direction," without considering what it will take, are not developing a plan; they are putting their future in the hands of luck. Great leaders create a plan and know whether they have the resources to execute it.

"If you lay siege to a town, you will exhaust your strength…Again, if the campaign is protracted, the resources of the State will not be equal to the strain."

Resource usage has actual and opportunity costs - the alternative resource use. A strategy considers the best/optimal use of resources among many options. Rarely are resources infinite. Do not waste resources on marginal outcomes or, worse, no outcome.

"When you engage in actual fighting, if victory is long in coming, then men's weapons will grow dull and their ardor will be damped."

Those involved in marshaling human resources should additionally be mindful of sending people on death marches with little hope of victory. Humans have a different dynamic to a lump of coal, their internal motivation to do something. How opportunities are researched and planned for has a specific impact on people.

Resources are precious. Use them in profitable ways, not in foolish ego driven ways. Be clear about the objectives, plan, and use resources wisely to pursue goals. Planning does not mean a plan to make a plan or analysis paralysis. Planning means clarity on the magnitude of required resources and the ability to commit or acquire those resources.

We live in a just-in-time world where planning is sometimes frowned upon. Just in time will not change the outcome if the approach requires more resources than what is available. Every decision may not require an elaborate planning process. However, some planning is often beneficial when entering new markets, a new line of business, or addressing the needs of new customer types. A strategy entails knowing which challenges you can afford to take on. Don't march into Russia in the middle of Winter. It may be brave. However, the results have historically not been good.

INTUITION AND EXPERIENCE

If you enter a market with extensive experience, your intuitions will likely be good, especially if you know the prospective buyers and their pain points well. If you have little experience, your instincts can be wildly wrong.

Reread the two sentences above and commit them to memory.

Your intuition will only work where you already have deep experience. You

cannot rely on it where you do not.

There is nothing more stragic (tragic strategy) than a business manager who thinks they understand a market they are clueless about. Particularly if they are driven by their love of some exciting technology that does not address a need a broad number of buyers are willing to profitably pay for.

Do everyone a favor and park your ego. No person knows everything, including you. If you are not experienced in a market, and especially a customer set/buying center, roll up your sleeves and do the work needed to get that experience. Either through your own work or engaging people who do know, up to and including hiring and empowering people with knowledge.

You can start small, with some experiments, and build on it. Why? It would be best to clarify subtle aspects of entering new markets/addressing new buying centers. You may need a new monetization model. What you are doing may break systems/processes in ways you cannot predict. Everything you have done to this point, including educating employees on the definition of 'good,' may be highly customized to current offerings, value propositions, and customers/buying centers. New markets and customers may change all that.

If a new business is significantly different from your current business, and you are committed to it, consider acquiring a company with momentum already. You may also need to keep that acquisition separate from the existing business or put the leaders from that acquisition in charge of your current business. There are many nuances to decisions in a scenario like this.

If you know the market and customers well, the barrier to entry is lower. If you do not, you will need a "strategy" to get the experience in that opportunity needed to do well in the new business, and more deliberate thought, action, and testing will be required.

We often think of stupidity as doing the same thing repeatedly and always getting a bad result. In strategy, stupidity is believing that what you have done to win one fight will lead to success in the next one.

Always evaluate the conditions on the ground.

STRATEGY TESTING

"The first casualty of war is the plan." Every plan is based on assumptions, whether those assumptions are conscious or not. Know your beliefs, know what you expect, and collect data that will help you gauge whether the premises are correct, and the anticipated outcomes are being achieved.

There is no shame in admitting that a strategy must be tested and validated. Validating your strategy/plan is a must. You can be sure your prospects and competitors will. It is a matter of when you realize the strategy is or is not working. It is in your best interest to know as soon as possible and before anyone else.

Create a thesis, a plan, execute, measure, assess, and start again. Keep

iterating.

CORPORATE STRATEGY

Strategists often distinguish between corporate strategy and business strategy. Corporate strategy is what businesses a corporation should be in. In contrast, business strategy is how any individual "business" will be successful.

There are two main approaches to corporate strategy. A corporation may have related or unrelated businesses. A corporation with unrelated businesses is sometimes referred to as having a holding company strategy, even if not literally that legal form. In contrast, some corporations enjoy synergies from related products or business units.

Neither approach is inherently better than the other. However, like vertical and horizontal integration, both types can be the focus of trends.

Under the twenty-year stewardship of Jack Welch, General Electric, a diverse corporation, became famous for its general management culture and training - a natural focus for a corporation with many different businesses.

Corporations with synergy between their businesses may have good general managers. Just as often, they have expertise in other areas that leverage or create synergies; a core technology, a platform, an approach to working with customers, the lowest cost of production, etc.

Two prominent examples of corporate assets include technology and people. Corporations also have financial resources, for instance, cash flow and balance sheet assets. For much of this book, there will be a focus on best-using resources. For many practitioners, it will be whatever budget they have. For corporations, resources come in many forms.

For corporations with robust and consistent cash flow, there is the option of taking on debt to acquire other companies or invest in business activities. For companies with solid balance sheet assets, there is also the option to purchase companies for cash. Corporations can use equity in high-growth stock market cycles to acquire other companies.

Acquisitions acquire talented workers, technology, customers, a missing portfolio piece, an entire company, and more. All of these are resources.

Many tech companies also have intellectual property, specifically patent portfolios. Often these are accumulated for defensive reasons or as negotiating chips. Occasionally they become a revenue stream.

An old saying: "Half of a good strategy is being in the right market." Corporate strategy has much to do with getting this right and providing the needed resources.

BUSINESS & PRODUCT MANAGEMENT STRATEGY

A business strategy focuses on how a business wins. What is winning, and what are the objectives of business strategy? That depends on many things, but we generally think of revenue, profit, customer growth, and similar – the business positioning, competitive advantage, offerings, and go-to-market.

In this book I treat product and business managers as synonymous. Unless you are the product manager for the 15th resistor from the back of a hardware card, you should adopt the mindset that as a product manager, no one in your company will know more about your business than you. You understand the industry, the prospects, the market dynamics, and how the business will be profitable (notwithstanding the vagaries of common cost allocation across multiple products). While I realize not everyone agrees

with that perspective, and not every product manager has that mindset, I will assert that, in general, product managers should. If not the product manager, then who?

Willingness to pay (WTP) is the most important concept for business managers. What is the demand for an offering relative to other direct and indirect substitutes? This question begins the journey of developing clarity on many things:

- Is the offering differentiated?
- Are there switching costs for prospects?

- What net value is delivered to prospects?
- How should the offering be priced?
- Are there any transitions in the market that can be leveraged?

These are just a few questions a great product manager would ask. Is this a greenfield opportunity, or do prospects need to see a reason to change from what they already have? After considering training and other switching costs, is the offering delivering net economic benefits to prospects? What do practitioners and budget holders care about the most?

The question of transitions is a particularly interesting one. In my experience, the most significant changes in market share occur during transitions. When there is a broad need for a new-generation solution, it is not the only reason for market share changes but a common reason. Cost of production, addressing unmet needs, and new business models are just some of the other reasons why leadership churns in markets.

Despite the scope of business strategy, the basic notion remains the same: how will a business optimize the resources it has access to, or can get access to, for the best possible results?

MARKETING STRATEGY

Since digital marketing/the internet exploded, marketing machinery has focused significantly on using digital marketing channels to drive leads that sales turn into revenue. Digital channels are not the only way marketing teams drive leads; however, it has become a significant endeavor. While marketing plays a substantial role in message/narrative creation, the machinery, disciplines, and investments associated with awareness and lead generation are substantial. Arguably the latter is a more significant investment in most sizable companies. There is much more to marketing than cute tag lines.

Generating leads comes with choices that must be made by marketing leads. What is more important:

- Search Engine Optimization
- Paid search ads
- Social media ads
- Webinars
- Conferences
- Account-based marketing
- And more

Marketing teams must allocate resources across these activities according to what they perceive as having the best return on investment. Search engine optimization is an excellent way of developing a steady stream of eyeballs and lowering long-term costs, but it takes time. In addition, the eyeball that SEO attracts may not generate leads (drawing attention to a call to action can be challenging).

Paid search ads and social ads generate traffic faster than SEO, but they cost more money, and the targeting options differ from platform to platform. Conferences can be a great source of leads, but they can also come with the noise of curious people kicking the tires or collecting information.

Coupled with these decisions are the decisions made by product marketers: what pain points are top of mind for prospects, what language is going to get the attention of target prospects without being clickbait, and what assets are needed to support lead generation activities: website pages, blogs, briefs, and more.

Someone also must decide what is a poor lead vs what is a well-qualified lead. The strategy question facing marketers is how to allocate resources/the marketing budget best to generate the highest number of quality leads. In other words, leads with the highest probability of resulting in revenue. Also, will more profit come from many lightly qualified leads or a small number of highly scrutinized leads? You can articulate the marketing strategy if you can confidently answer questions such as these, and why you are making the choices you are making.

Aided and unaided awareness are additional outcomes marketers often pursue. Whether these are more valuable from a reduction in selling friction or lead generation ("top of funnel") is an interesting discussion. However, marketing teams often allocate resources to awareness, even when the direct impact is difficult to measure. Is this a good use of marketing resources? The allocation and use of resources for awareness is a decision within a marketing strategy.

FINANCE STRATEGY

A company's finance team plays different roles during different phases of maturity. When a company is mature, with slow growth, the Finance team has a strong and visible role, enforcing discipline on operating expenses/margins and stock repurchases, for example. In other words, what is the best allocation of a company's cash? Growing existing businesses or returning money to shareholders. What will it take to maintain and/or increase the stock price so company ownership/shareholders are happy with the company's management team?

Finance teams can also have a significant voice in approving large investments, for example, acquiring companies. Will the acquisition be marginally or significantly dilutive to the stock price, operating margins, etc? What is the best use of that cash and/or equity? Will it return better than the cost of money, etc?

Then there is the annual strategy and planning process. Will business groups/sales expand revenue and margins in the new year, and should they be allocated bigger budgets?

Finance groups are less likely to get caught up in the razzle-dazzle that technologists do unless they are culturally required to. In addition to managing shareholder expectations, finance groups ask how a corporation's financial assets and liabilities should be allocated.

SALES STRATEGY

The sales function is one of the most interesting functions in a company. On one hand, there is often a culture of rugged individualists that stand apart from the corporate concerns others have—the salesperson with the mindset that they are running their own little business.

On the other hand, there are many intersecting concerns. Will the finance team approve the compensation plan, and how precisely does any compensation plan impact outcomes? Not to mention the often-competing forces baked into sales compensation plans - does anyone really understand the net result? How many compensation plans are a camel – a horse designed by a committee?

Then there are the delivery models. Do most prospects purchase this class of offering through a partner channel, and have product managers designed offerings to go smoothly through those channels? Should the allocation of salespeople be geographically based, industry-based, company-sized base, or a combination of these and other factors? What will result in optimal per salesperson productivity?

Sales intersect significantly with most functions in a company. Are customers being supported well, is marketing driving high-quality leads, are sales and finance aligned on compensation plans, and are sales and product management aligned on who the offerings are designed for?

Across all these questions, sales must develop an effective strategy. In high growth markets, these decisions may include hiring as many warm bodies as possible and putting them everywhere. In other scenarios, these are very challenging questions but are nonetheless rooted in basic resource allocation questions: what operating expense will the sales compensation plan result in, how many salespeople will that support, and what prospects and channels will those salespeople be allocated to?

ENGINEERING STRATEGY

Engineering strategies may not have as many entanglements as sales strategies, but the challenges are not simple. The fundamental problem is that features are always needed to close deals, so the demand for more work is seemingly never-ending. If it is not, there is probably a problem.

Of course, an offering that is too far behind alternatives in features is probably suffering from other strategy problems outside of engineering. Then there is the age-old challenge: velocity, quality, and quantity. Pick two.

Technical debt and "keeping the lights on" can become particularly challenging for engineering teams. What is the allocation of resources to new architectures/technologies/innovation vs. simply maintaining what is already shipping?

As companies and offerings mature, this problem tends to increase. A significant part of engineering budgets is spent supporting offerings for the existing customer base, leaving much less than optimal for innovation. This is when a company's acquisition machine might ramp up.

However, will those acquisitions be dilutive, the finance team will ask? Will those acquisitions lead to a consistent user experience? The sales and support functions might ask.

How to allocate a seemingly shrinking percentage of the engineering budget for innovation as maintenance costs explode can become an existential question for engineering teams. The challenge of administering and obtaining resources can become significant, as can the integration of acquisitions.

GOVERNMENT STRATEGY

Corporations can take on debt and even drive themselves into bankruptcy. However, corporations rarely have moments where they conclude that any amount of spending is justifiable to achieve an objective, notwithstanding some ill-advised multi-billion-dollar acquisitions.

Governments, with a mandate to protect their citizens, and in the case of democracies, voters, can be highly motivated to spend huge amounts of money to achieve an objective. Military spending is one obvious example. In the 1960s, the American space race, and more recently, the Chinese pursuit of AI leadership.

Over short periods, relative to a government's operation, a government may take on spending and debt that is much larger than any corporation could.

Much of this book has focused on constrained resources or budgets. Governments do have constraints as well. However, governments can marshal enormous amounts of money, often backed by debt, to take on objectives that they see as being mandatory. Responding to a pandemic, economic leadership, social security, a national road system, a public works project, and more. The revenue and debt a government can take on relative to the objective can be much more significant than what is required to achieve a goal.

In this section of the book, there is no intent to imply a judgment, merely to concede that there are times when a problem seems so critical that communities, represented by governments, might be willing to throw resource constraints out the window, especially for short periods.

Strategy is still important, but the investment potential is much higher than many corporations.

PERSONAL STRATEGY

We must have financial strategies as responsible adults, spouses, and parents. For example, is personal or family spending and saving aligned with desired outcomes?

There is another currency in our personal lives, time. A previous and now departed colleague used to say, "We are not here for a long time. We are here for a good time." Time is a finite resource every day, every year, and for each life. How our time is used is an essential aspect of our personal strategies.

I have allocated significant chunks of my life to traveling because that was important. I did not want to die without knowing little about the people I share this planet with and without experiencing breathtaking landscapes, cultural diversity, and culinary pleasures. That's just me. Your mileage will vary. Maybe accumulating wealth is the most important thing for you. If so, you will need a strategy for that. How will you optimally allocate your time and finances to accumulate wealth?

THE INVISIBLE HAND OF RESOURCE ALLOCATION

There has been a view in strategy literature for some time that when there is clarity about the one thing everyone in the corporation must focus on, the corporation's resources will magically self-organize in support of that one thing. That one thing might be a belief about how offerings are differentiated or an approach to services. The takeaway is that if a corporation knows what that one thing is, it will create a series of internal pathways within the corporation that will be very difficult for a competitor to reproduce.

In this book, I have described independent resource allocations by different functions based on the specific objectives of each function. However, I want to also mention this perspective: resource allocations can be explicit, deliberate, and independent, or subconscious as if guided by an invisible hand that emerges when everyone in a company has the same focus.

For businesses, there is often a desire to create a company that has a sustainable advantage, and one of the theories of strategy is that this can be achieved through synergistic resource allocations across an entire value chain, driven by an orchestrated focal point, that uniquely drives internal processes and decisions.

CEO STRATEGY

Who is responsible for strategy? The buck stops with the CEO, even in

companies with a recognized strategy team. There are spiritual, political,

and practical reasons for that.

The CEO is ultimately responsible for how resources are allocated in a company, so, by the definition of strategy provided in this book, the CEO has the most impact on strategy - how resources are allocated. Political and inspirational dynamics are also entangled with the role of the CEO. For political reasons, employees care more about what a CEO believes than a strategy team believes. In addition, CEOs are sometimes people who have earned their stripes in the field of battle or have some other characteristic that leads to them inspiring others.

The granularity at which CEOs manage the use of a company's resources, beyond approving big budget items, is a discussion in and of itself, varies by CEO and by the circumstances of the company. From a practical perspective, this cannot be separated from a CEO's overall management and leadership philosophy.

A CEO, in collaboration with the board and C-suite, has her hands on the big levers of a company: organic or inorganic investments, what businesses a company is in, the overall company brand, and more.

A CEO is responsible and accountable for the overall company strategy. Practitioners are responsible for the budget they have control over and the influence they exert on others.

TECHNOLOGY STRATEGY

I have worked in tech my entire adult life. I remember the first time I walked into a Radio Shack store, cracked into the BASIC interpreter, and started playing with it. I remember when 16 general purpose registers were a beautiful thing to me, how virtual memory pages forever changed both PCs and embedded systems, how virtual machines enabled horizontally scaled CPU architectures to be more fully utilized, how the GPU ushered in a new era of machine learning, how Linux transformed the OS landscape, python the programming landscape, and on it goes. There is no doubt that sometimes, technology is a game changer.

Is all this talk about resource allocation, budgets, and financial scarcity irrelevant to strategy in the face of periodic technological disruption?

There is absolutely a role for engineers and product managers to reimagine the world through the lens of new technology. However, that is often complementary to strategy decisions and not necessarily in conflict with them. A company with substantial financial assets may decide to acquire new technology, and they often do. They are assessing what has the best use of resources, trying to develop something themselves or acquiring it.

There are processes for gaining insight into how new technology may address a pain point better than current approaches. There is the race to capitalize on new technology, and the list goes on.

Nations, for example, America, periodically go through handwringing about whether enough fundamental research is being done (for example, Moonshots - literally) and where the next significant technological breakthrough will come from.

Most IT suppliers and consumers will not do the fundamental research that leads to entirely new technology. Most are going to leverage the fundamental research and development done by others. Most companies that successfully develop and/or leverage technology will, or should, have some allocation of the company's resources to scanning the technology landscape for disruption, attacks "from the bottom," and so on.

How much resource and what resource is allocated to that scanning is a strategic decision. Some companies have an agile acquisition strategy, quickly putting new products on GTM shelves. Others carefully acquire and integrate to sustain a unique and differentiated user experience. These strategic decisions affect what resources are allocated, when, and in what quantity. Companies with these strategies must have the resources that will allow them to execute these strategies, and they must be allocated optimally.

THE TAO OF STRATEGY

Readers should be aware that I am an idealistic person. More specifically, the pursuit and protection of "truth" is an ideal to be cherished. In technical roles, the pursuit of truth is fundamental. Otherwise, things do not work. In other functions, it may take longer to detect that things are not working well, and even then, dysfunctions can be obfuscated.

Much of this book has been written through the lens of "there is such a thing as the optimal allocation of resources." Not everyone approaches life, and specifically strategy, with that mindset. A strategy practitioner, and anyone ultimately responsible for strategy, must assess what they value most and what the reality is of their environment. For some people, "playing the game" is a much better strategy than speaking the truth – if there is such a thing.

In response, I can say two things. I can be upfront about my strengths and weaknesses within highly political environments where the "truth" is not the "high-order bit." Startups and competitors are not constrained by the internal politics of the environment you are operating in. So "playing the game" may depend on the horizon (no strategy pun intended) you are assuming. Meaning, you can ignore the truth, but only for so long.

Influencing people is an important skill. Whether to influence people with numbers, anecdotes (hopefully not), playing politics, or emotional appeals, is a strategy that must be considered by anyone seeking to influence others. As always, sometimes a drink after work is as influential as anything else.

However, people have motivations and personal outcomes they are pursuing.

CONCLUSION

The main thrust of these few words on strategy has been to bring focus to the critical challenge in any strategy, be it a function level or a corporate level. This may seem obvious, as it is the central thrust of pre-Internet economic thinking - resources are scarce. However, it is something that is seldom thought about as much as it should be.

Anyone responsible for a budget can stare at it and say, ok, how can I allocate resources to keep the political wolves at bay, or alternatively, how can I allocate resources to have the most business impact?

In the real world, resource allocation can happen on automatic pilot, with the same yearly budget. Resource allocation can occur due to political forces, for example, someone is screaming for something.

Resource allocation can happen because someone is charismatic. There are a number of drivers for how resources are allocated in the real world. The purpose of strategy is to frame the question: what is the desired outcome, and what is the best way to allocate resources to achieve that outcome?

Does that question lead to a broad scope of industry, competitive, and tactical questions? Sure, and that is where some clever thinking/action may come into play.

However, as the old saying goes, any destination will do if you do not know where you want to go. Strategy is the force within a company and in our personal lives that forces us to ask where we want to go and how we will get there, specifically, how we are going to optimally allocate our time and other resources to get there.