

Strategy & Organizations in Dynamic Times: Perspectives & Options

Edmonton John Howard Society

January 25, 2023

Context





Mark Cabaj
Here to There
CONSULTING INC

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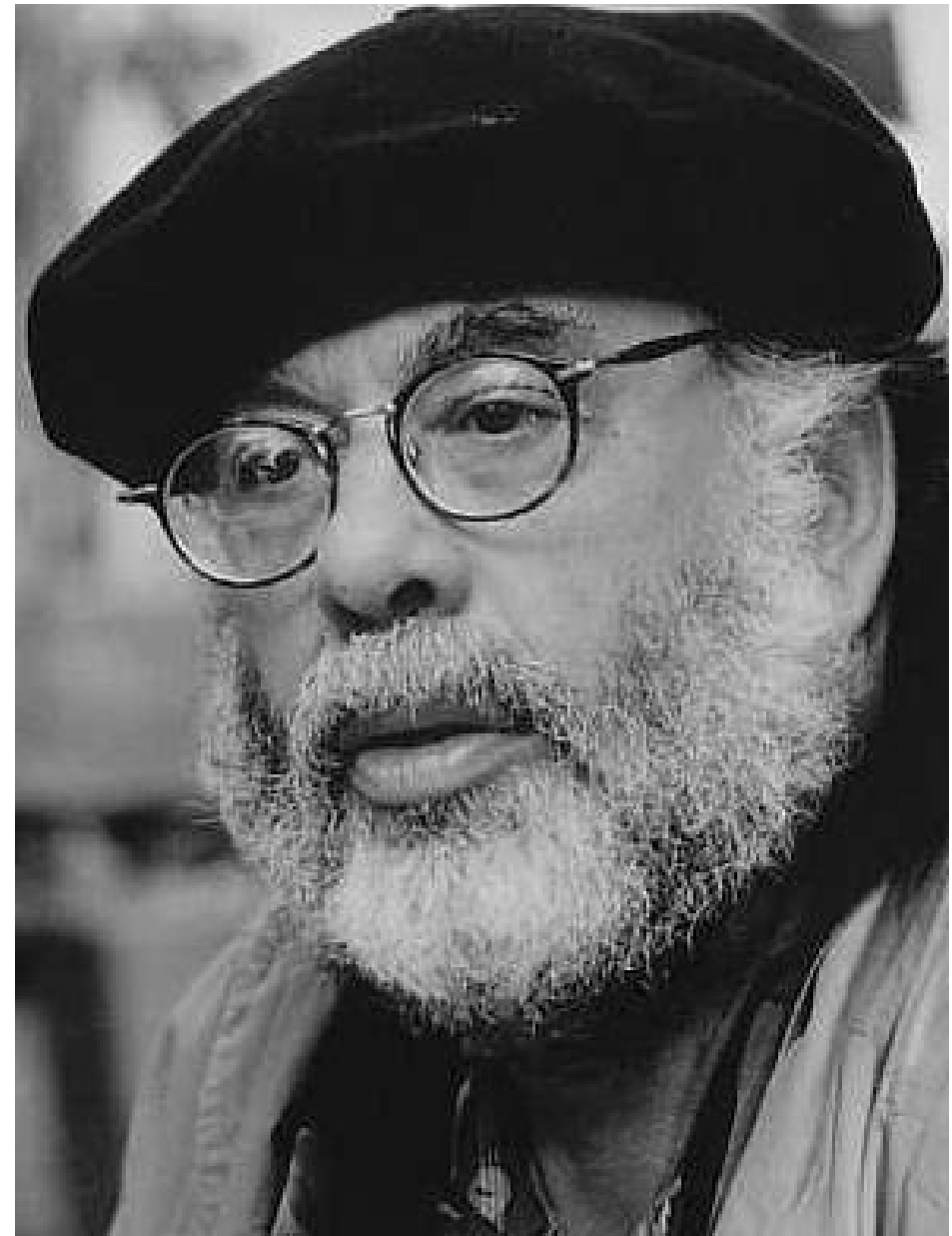
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Journalist: Mr. Coppola, you've produced and directed a lot of movies in your time. By your own admission, some of them are great and some of them not so great. How do you know whether you are making a good movie?

Francis Ford Coppola: Oh, that's easy. You know it's going to be a good movie when everyone on the set is making the same movie.



A Caution



All models [and frameworks]
are inaccurate, but sometimes
they can be useful.

George P. Box
Mathematician

Strategy in Uncertain Times

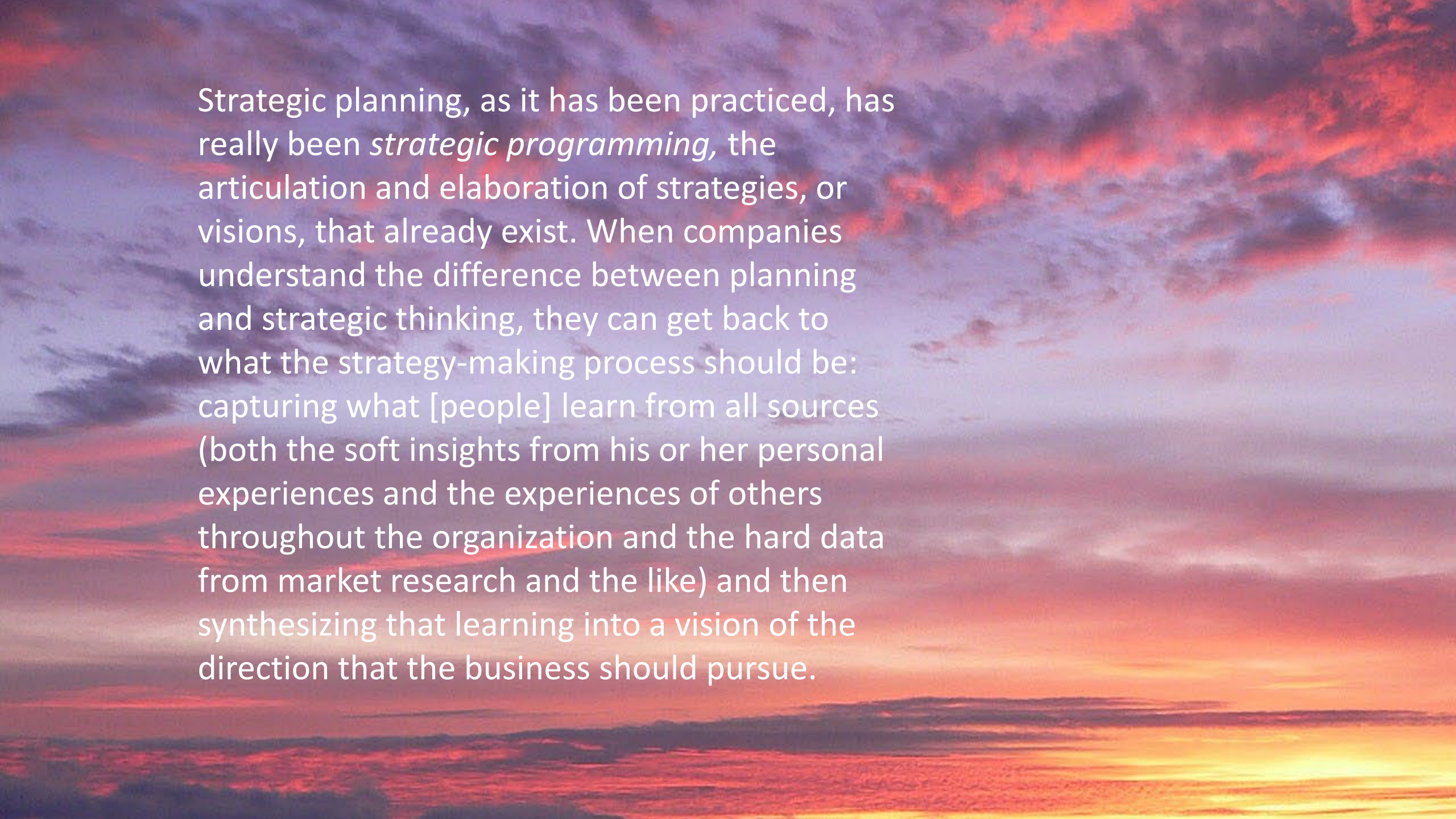




Strategic planning is not strategic thinking

Henry Mintzberg

The Fall and Rise of Strategic Planning



Strategic planning, as it has been practiced, has really been *strategic programming*, the articulation and elaboration of strategies, or visions, that already exist. When companies understand the difference between planning and strategic thinking, they can get back to what the strategy-making process should be: capturing what [people] learn from all sources (both the soft insights from his or her personal experiences and the experiences of others throughout the organization and the hard data from market research and the like) and then synthesizing that learning into a vision of the direction that the business should pursue.

STRATEGIC

Henry Mintzberg
*The Fall and Rise of
Strategic Planning*

THINKING

Establishing
direction

Committing

Synthesis

Creative, Intuitive

Purpose

Leadership Style

Preferred Methods

Thinking

PLANNING

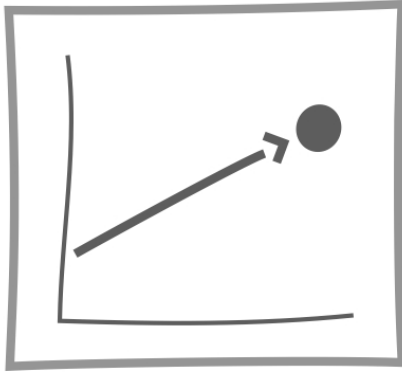
Elaborating
directions
into action

Calculating

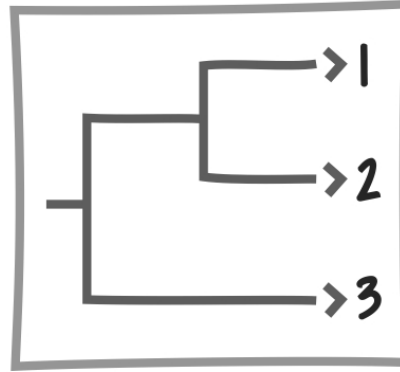
Analytic

Logical
Consequential

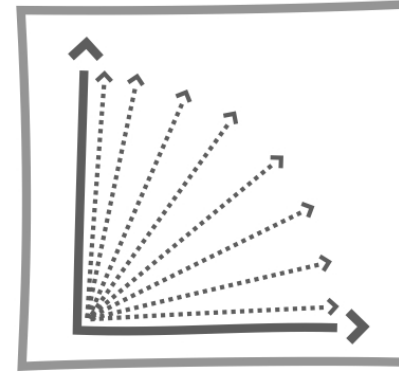
STRATEGY UNDER UNCERTAINTY



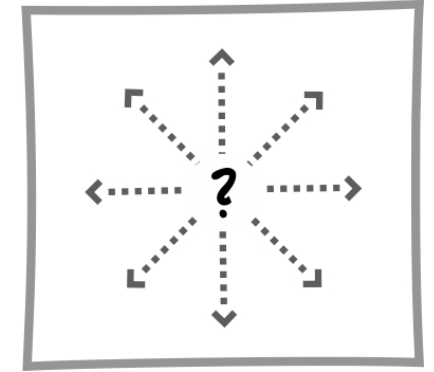
A CLEAR-ENOUGH FUTURE



ALTERNATIVE FUTURES



A RANGE OF FUTURES



TRUE AMBIGUITY

CONTEXT

A single forecast,
precise enough for
determining strategy

A few discrete
possibilities that define
possible futures

A range of possible
outcomes, but no
natural scenarios

No basis to
forecast
the future

STRATEGY

Traditional Tools
(e.g., SWOT, Logic Models,
Detailed Operational Plans)

Scenario Planning
Contingency Planning

Strategic Intent
Strategy as Simple Rules
Boundary Planning

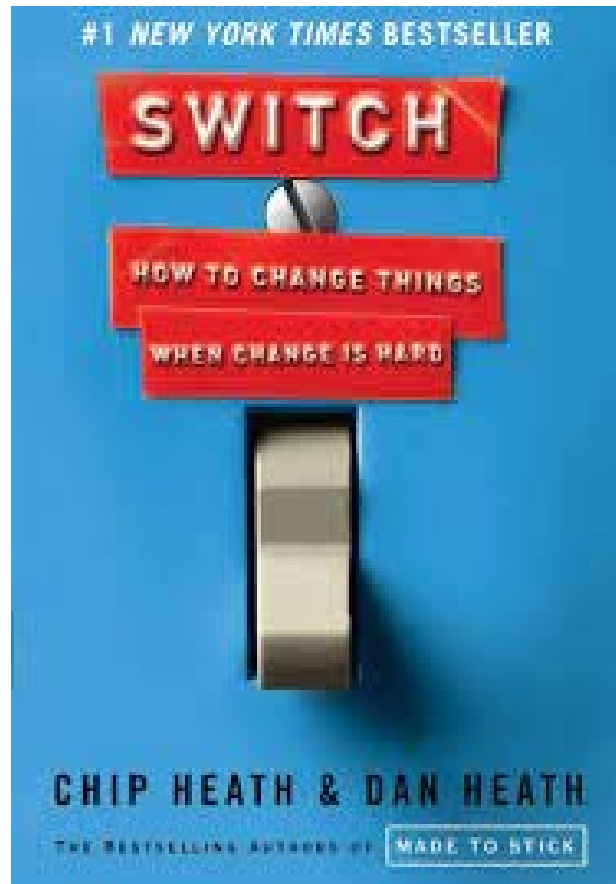
Emergent Strategy
(e.g., probing,
opportunistic)

Example of Strategy as Simple Rules

In turbulent markets, managers should flexibly seize opportunities—but flexibility must be disciplined. Smart companies focus on key processes and simple rules. Different types of rules help executives manage different aspects of seizing opportunities.

Type	Purpose	Example
How-to rules	They spell out key features of how a process is executed—“What makes our process unique?”	Akamai’s rules for the customer service process: staff must consist of technical gurus, every question must be answered on the first call or e-mail, and R&D staff must rotate through customer service.
Boundary rules	They focus managers on which opportunities can be pursued and which are outside the pale.	Cisco’s early acquisitions rule: companies to be acquired must have no more than 75 employees, 75% of whom are engineers.
Priority rules	They help managers rank the accepted opportunities.	Intel’s rule for allocating manufacturing capacity: allocation is based on a product’s gross margin.
Timing rules	They synchronize managers with the pace of emerging opportunities and other parts of the company.	Nortel’s rules for product development: project teams must know when a product has to be delivered to the leading customer to win, and product development time must be less than 18 months.
Exit rules	They help managers decide when to pull out of yesterday’s opportunities.	Oticon’s rule for pulling the plug on projects in development: if a key team member—manager or not—chooses to leave the project for another within the company, the project is killed.

Example of Strategy As Simple Rules



How to lift a recently privatized Brazilian railway out of its cash-strapped financial position while there is enormous pressure to invest in depleted infrastructure (car stock, bridges, etc.)?

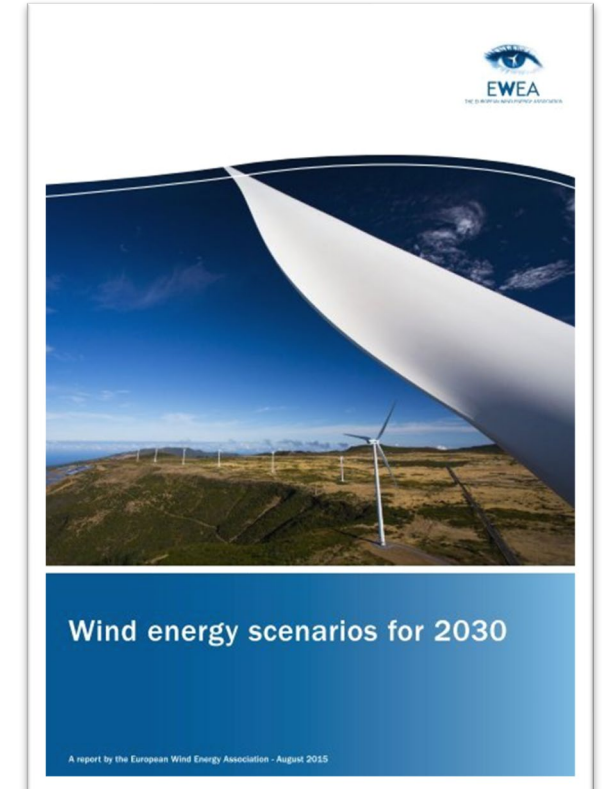
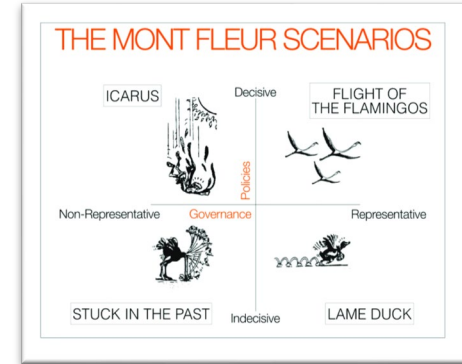
1. Unblock Revenue: invest money only in projects that allow the company to earn more revenue in the short term.
2. Minimize Up Front Cash: the best solution to any problem is one that costs the least money up front – even if it ends up costing more in the longer term and/or it's a lower quality solution.
3. Faster Is Better Than Best: options that fix a problem quickly are preferred to slower options that provide superior long-term fixes.
4. Use What We Have: reusing or recycling existing materials is better than acquiring new ones.

Example of Scenario Planning

Shell first used scenario planning to imagine how to deal with different energy futures (Suncor does too).

The leaders of diverse political parties and civil society organizations in South Africa used scenario planning to assist them navigate the initial transition away from Apartheid.

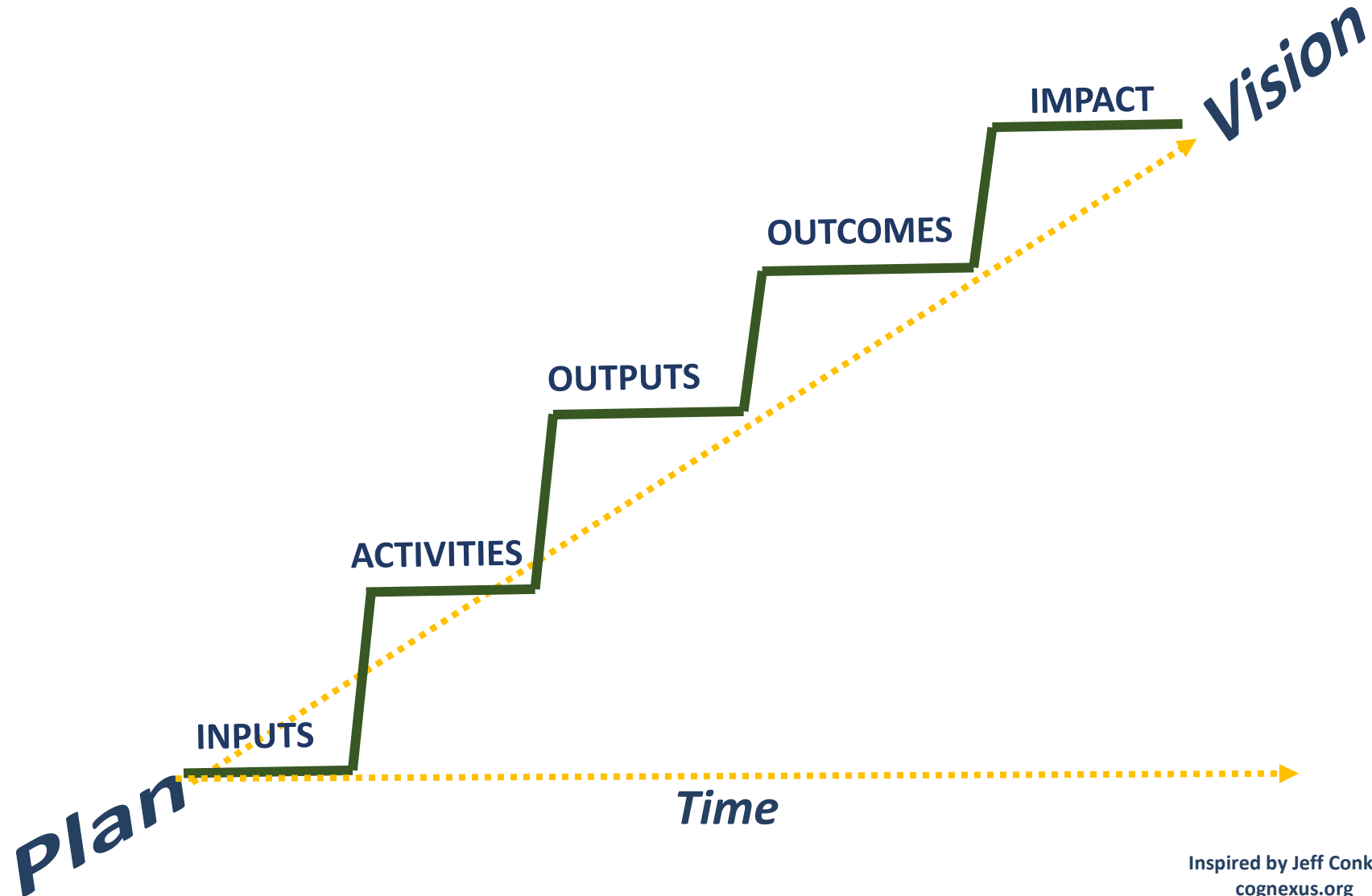
There are scenarios being developed for non-profit organizations post-Pandemic.



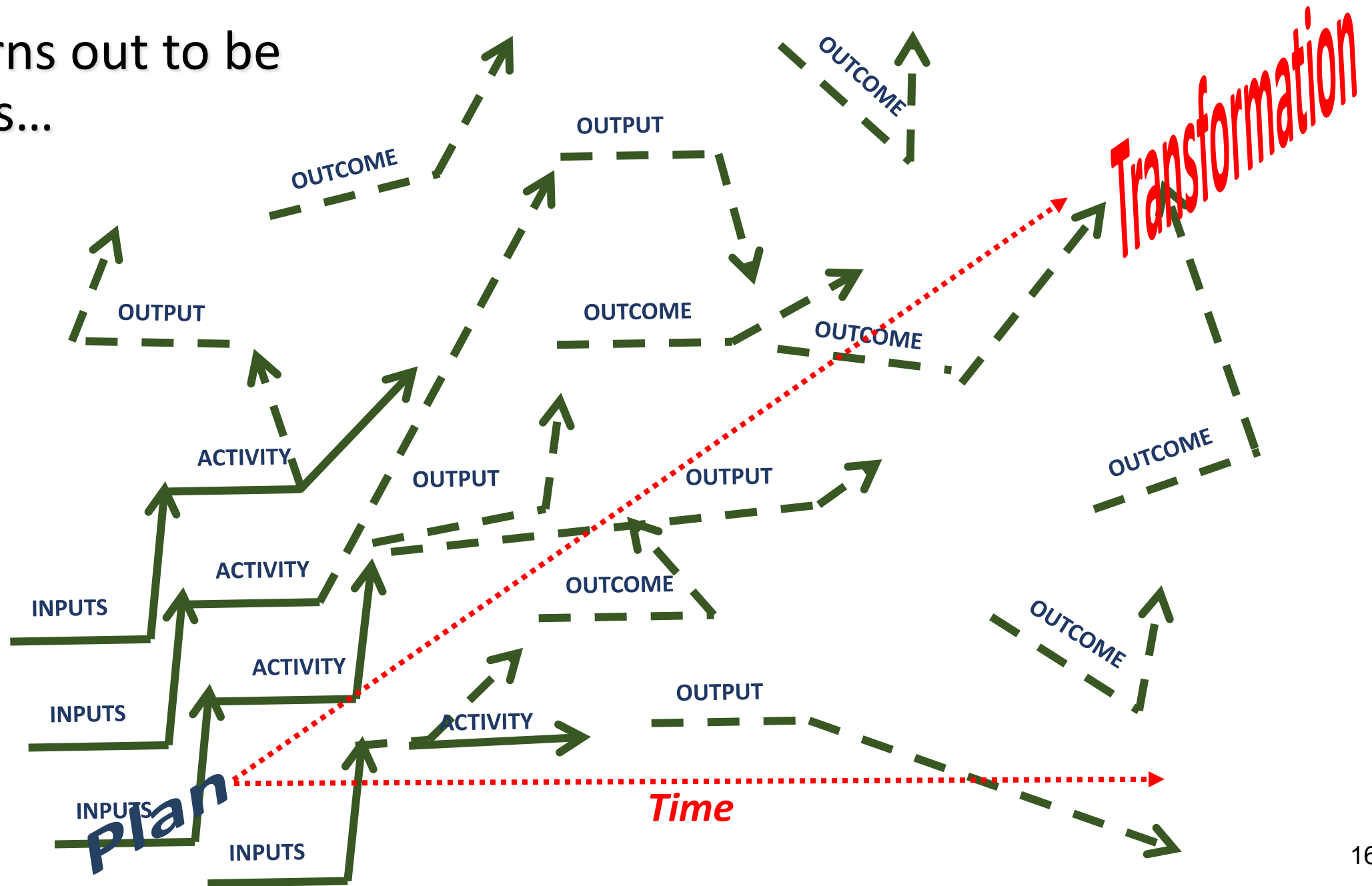
Example of Emergent Strategy

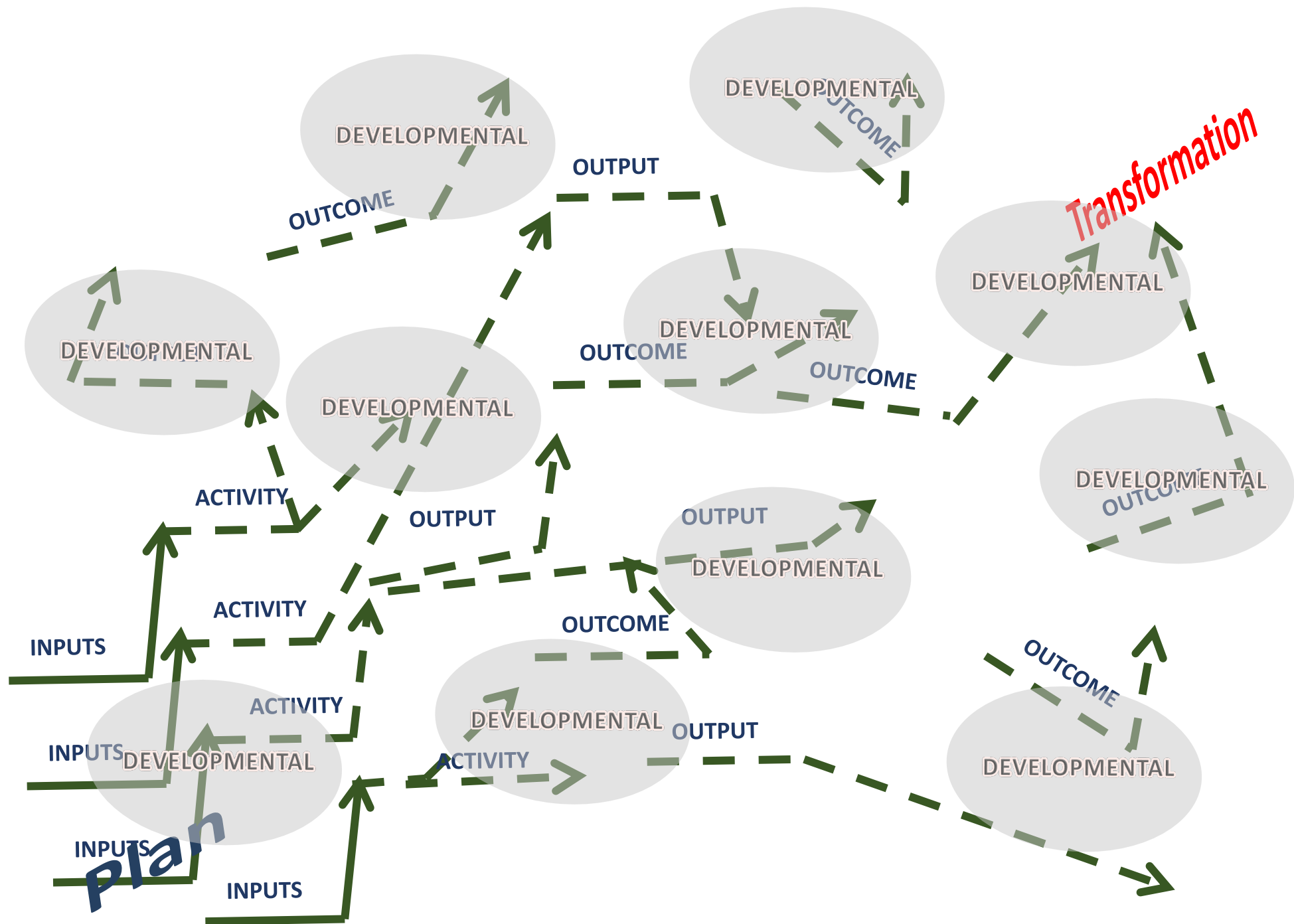


Emergent situations are ones in which this...



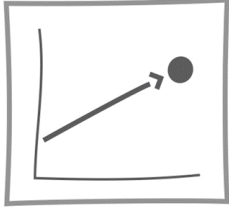
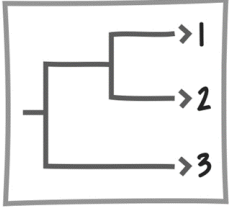
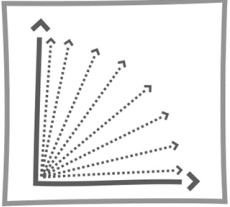
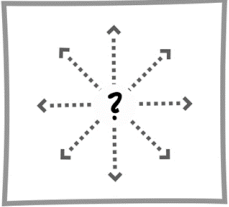
Turns out to be
this...





Discussion

Which options might be most relevant to the organization right now?
Why?

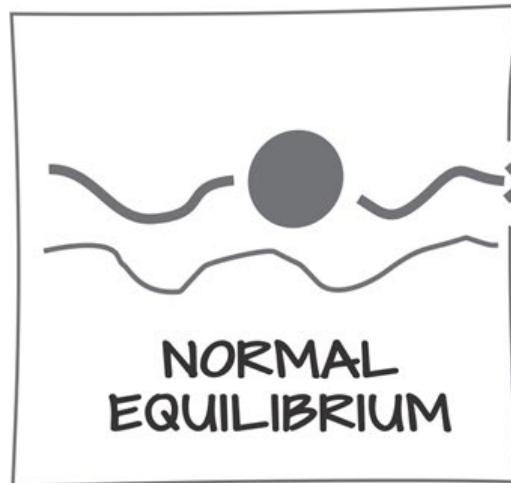
				
	A CLEAR-ENOUGH FUTURE	ALTERNATIVE FUTURES	A RANGE OF FUTURES	TRUE AMBIGUITY
CONTEXT	A single forecast, precise enough for determining strategy	A few discrete possibilities that define possible futures	A range of possible outcomes, but no natural scenarios	No basis to forecast the future
STRATEGY	Traditional Tools (e.g., SWOT, Logic Models, Detailed Operational Plans)	Scenario Planning Contingency Planning	Strategic Intent Strategy as Simple Rules Boundary Planning	Emergent Strategy (e.g., probing, opportunistic)

Adapted from Courtney, H., Kirkland, J., & Vignier, P. 1997. Principles-Focused Strategy. Harvard Business Review, November-December. Reprint.

Organizations in Uncertain Times

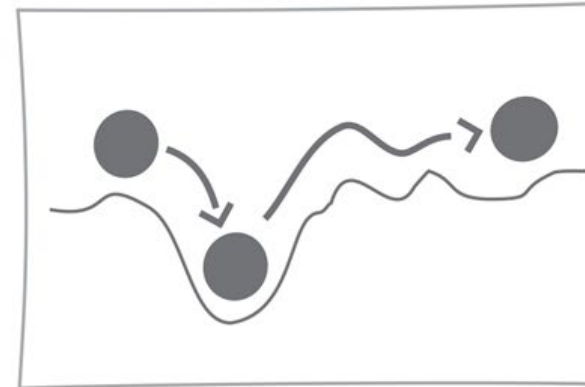


STABILITY

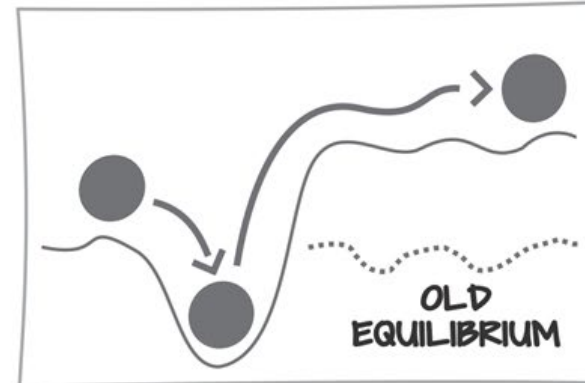


DISRUPTION

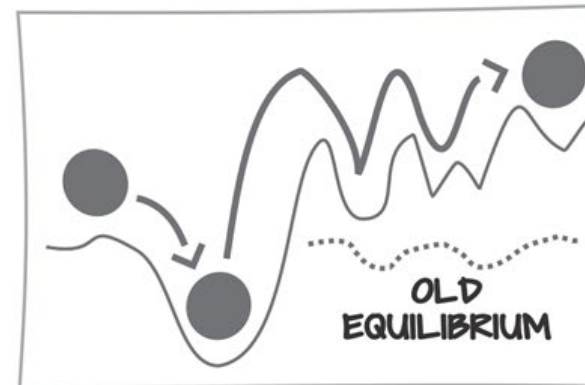
UNCERTAINTY



RETURN TO
THE OLD
EQUILIBRIUM?
AKA "Back to
the Future"?



FIND A NEW
EQUILIBRIUM?
AKA "Nightmare,
Dream, or Mix"?



MANAGE A NEW
DISEQUILIBRIUM?
AKA "The Long
Emergency"?



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Inspired by Brenda Zimmerman

Organizational Evolution & Change



SUSTAINABLE

Seeks to maintain a model or pattern; struggles with volatility and change.



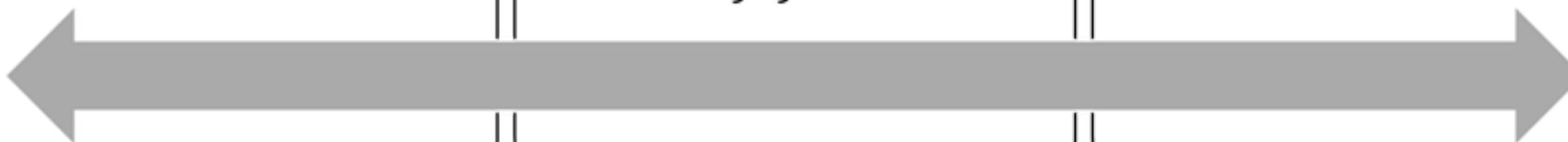
RESILIENT

Seeks to maintain the essence or DNA of an organizations; while the model or pattern adapts to changing context.



ANTI-FRAGILE

Is open to the evolution in its essence and DNA of an organization as it operates in a dynamic context.



Harvard Business Review

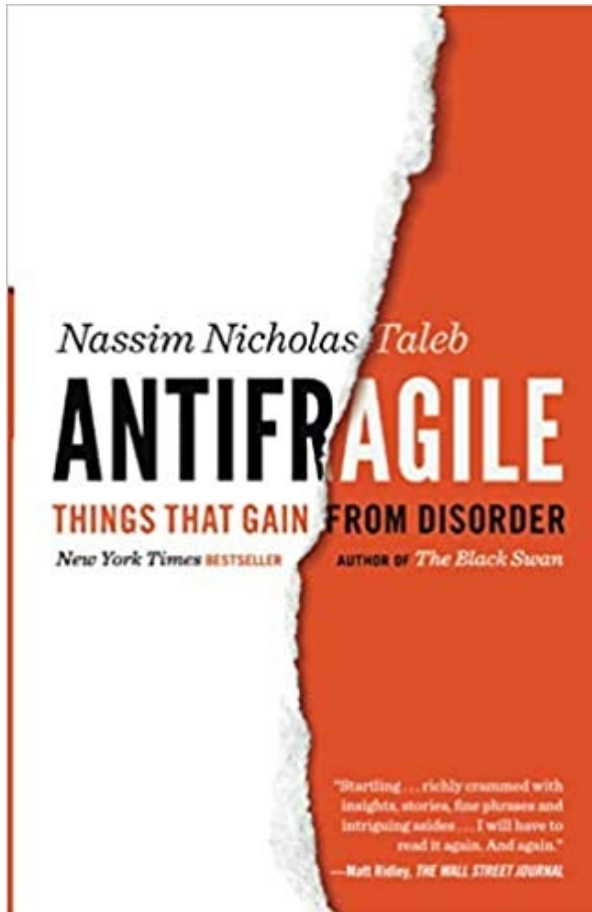
Make Your Organization Anti-Fragile

by Brad Power

June 24, 2013

In his book [*Antifragile*](#), [Nassim Nicholas Taleb](#) describes how some systems, such as biological ones, gain from disorder. Anti-fragile systems love randomness and uncertainty; going beyond resilience or robustness, they get stronger with stress and volatility. Start-ups tend to be anti-fragile; large, successful organizations tend to be fragile. If lucky, a start-up grows and develops a success formula. With maturity, however, it can become rigid and fragile. Most successful organizations do not like volatility, randomness, uncertainty, disorder, errors, stressors, and chaos. Yet we are in a world where disruption and randomness are increasing. Organizations that gain from randomness will dominate, and organizations that are hurt by it will go away.

Thriving in Uncertain Times



1. Make sure that you have your soul in the game
2. Stick to simple principles/rules
3. Build in redundancy and layers (no single point of failure)
4. Resist the urge to suppress randomness/uncertainty
5. Experiment and tinker — take lots of small risks
6. Avoid risks that, if lost, would wipe you out completely
7. Don't get consumed by data
8. Keep your options open
9. Focus as much on avoiding things that don't work than trying to find out what does work
10. Respect the old but ...look for habits and rules that have been around for a long time but be open to applying them in new ways

Discussion

Which stances might be most relevant to the organization right now? Why?



SUSTAINABLE

Seeks to maintain a model or pattern; struggles with volatility and change.



RESILIENT

Seeks to maintain the essence or DNA of an organizations; while the model or pattern adapts to changing context.



ANTI-FRAGILE

Is open to the evolution in its essence and DNA of an organization as it operates in a dynamic context.



Discussion

What is **alive** for you after this brief session?

What new thoughts, questions or concerns emerge would you like to **explore** in the future?

Email Shawna now!

