THE GRAND STRATEGIST'S CREDO

THE GRAND STRATEGIST'S ACTION PLAN

To enable my people to achieve . . .

STRONGER STRATEGIC POSITIONS

My people know more about their business than I do. I help them not to fail by making sure they take account of the principles of competition:

DIRECTION

- 1 How clear and achievable are their goals?
- 2 Are they exploiting emerging trends quickly and effectively?

FOCUS

- 3 Do they have superior scale in the critical resource areas?
- 4 Are they using resources efficiently and with minimum waste?
- 5 Have they built enough flexibility of resources into their plans?

IMPLEMENTATION

- 6 Does the plan have the ability to gain key people's commitment?
- 7 How well are they creating barriers to competitive countermoves?
- 8 How unexpected and original is what they plan to do?
- 9 How simple are their plans to understand and implement?

HIGHER QUALITY IMPLEMENTATION

Selection, evaluation and training are my most powerful tools for fulfilling our mission. I will:

- ☐ inculcate and reward personal responsibility and individual initiative in every one of my people
- ☐ pay close attention to detail when it matters to my strategy, and not pick my people's plans to pieces when it doesn't
- ☐ learn from our mistakes and be objective in my evaluation of our experience
- ☐ allow no exceptions to our mission, and go to any lengths to be true to it

MORE EFFECTIVE RENEWAL

How I spend my time, what I reward . . . and punish, whom I promote and where I allocate our resources will determine the real climate of my organization. I will:

- ☐ conduct all our affairs in a spirit of play, and make sure it is possible for everyone else to do the same
- ☐ model and reinforce the ability to work in groups
- ☐ encourage constructive argument and help my people enjoy it
- ☐ remain open to criticism, and never shoot the bearers of bad news

. . . than our competitors

THE GRAND STRATEGIST

MIKE DAVIDSON

‘Concentrated wisdom — easy reading’

*‘The best speaker on strategy
I’ve ever heard’*

STR

CONTROL YOUR OWN DESTINY

WIN MORE — FAIL LESS

ACHIEVE MORE WITH THE HOURS YOU SPEND

AND ABOVE ALL — **ENJOY** DOING IT

THE GRAND ATEGIST

**THE
REVOLUTIONARY
NEW MANAGEMENT
SYSTEM**

PALGRAVE MACMILLAN

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First published 1995 by Macmillan London Limited

an imprint of Macmillan General Books Limited

Cavaye Place London SW10 9PG

and Basingstoke

ISBN 978-1-349-13721-3 ISBN 978-1-349-13719-0 (eBook)

DOI 10.1007/978-1-349-13719-0

Copyright © Mike Davidson 1995

Softcover reprint of the hardcover 1st edition 1995 978-0-333-63651-0

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9 8 7 6 5 4 3 2

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British Library

FOREWORD:

THE AGE OF STRATEGIC MANAGEMENT

Every organization has competitors. Businesses compete to sell their products and services. Cities and states compete to attract new industries, contracts or government funds. Schools and universities compete for students and to attract and hold a talented faculty. Start-up ventures and small companies compete for scarce resources to ensure their very survival. For a whole generation after the Second World War, a healthy, growing economy left room for many competitors to prosper alongside each other. Then in one decade, the seventies, the advent of a global market, scarce resources, expensive money and the end to steady growth changed the rules of the game. Achieving the *absolute* goals of an organization now depends on *relative* success. The search for a competitive edge, and management of the entire corporation to achieve and sustain it, are the central operating tasks of our time.

Strategic management creates the competitive edge that makes winners. It harnesses all the potential of an organization to this end by causing every day-to-day operating decision to be made in a pre-eminently strategic manner. *Everything* is done

2 FOREWORD: THE AGE OF STRATEGIC MANAGEMENT

with the intention of securing competitive advantage. Strategic management is therefore a task for the whole organization all the time, not the province of specialists or a once-yearly undertaking. It is a way of thinking, a guide to action and the determinant for the behaviour of every member of the organization. Its goal is the creation of a set of *distinctive* capabilities, that have *special* value to a *particular* part of the market-place. By doing so it positions the organization for the sustained, superior performance that is the mark of strategic success.

While recognition of the need to manage in this way is growing, it has seldom been put successfully into practice. The principal reason for this lack of success has been our belief that strategy should concentrate on improving the allocation of our *financial* resources.

We have become very good at it. But so has everyone else, leaving little opportunity for achieving a winning margin. But still some companies outperform others. They are the few who have remembered a more important set of resources – the *human* ones. Behaviour turns out not just to matter but to be the determining factor. It provides the margins of competitiveness which dictate who wins and who merely participates.

Above all else, strategic management brings about individual and group behaviour that results in competitive advantage. It is first and foremost the management of people, not money. Why have most of us missed it?

We have been pursuing the wrong goal – the making of

money, not the creation of wealth. The business schools, so long the scapegoat, are a symptom not the cause. Society has put the rapid accumulation of personal riches at the pinnacle of success. The business schools, as good market-oriented institutions, have filled the need. The result has been too many manipulators of money and too few managers of people.

Lack of competitiveness cannot be blamed on the failure of educational institutions, loss of work ethic or a superior Japanese system. It is the result of narrow vision and the failure to lead.

To quote Thomas Watson, Jr, ‘... the real difference between success and failure in a corporation can very often be traced to the question of how well the organization brings out the great energies and talents of its people.’

That insight was the mark of a tiny number of outstanding companies when it was written in the mid-sixties. In an era marked by unprecedented competitive intensity and accelerating change, it has become a condition for survival. Today a whole new breed of leaders is managing by identifying the shared values that can create common cause, and developing the shared vision that can inspire the winning effort. In so doing they are at last ushering in The Age of Strategic Management.

This book is dedicated to that new breed of leader – The Grand Strategist.

Mike Davidson