

What is the difference between strategy and tactics? V2

What is the purpose of this article?

- 1) Enable founders, C-Suite, Board of Directors, and investors to discuss and assess the company's strategy and tactics.

What are the critical learnings in this article?

- 1) Long-term success requires both the right strategy and successful execution of the right tactics.
- 2) Everyone in the company must understand the company's strategy and focus their energy on achieving the strategy.

What is strategy?

What will the company's future success look like to the members of the company's ecosystem?

- 1) How will customers perceive success? For example, "In five years time, we will be seen as the world's best online search company." is much different from "In five years time, we will be the world's biggest search company."
- 2) Your strategy will define assumptions as to who your target customers are, their ecosystem, and why the customers will be dealing with you rather than your competition. And of course, your competition will also change. I've seen too many company failures resulting from strategies that basically say "This is what we are going to do. This is the vision and mission of the company. We hope the customers will buy from us. Hope is our strategy."
- 3) Strategy describes the company's position in the customer's ecosystem.
- 4) How will the other members of your company's ecosystem perceive the future success of the company? Ecosystem members include: customers, employees, competitors, partners, and investors.

What are tactics?

- 1) What do you have to do to achieve future success? What are the types of people you need to build that future? (i.e. board directors, CEO, advisory board, C-Suite, management, and staff) If you are in a rapidly changing environment, you need people who can learn quickly and change quickly – knowing what worked 20 years ago may not be helpful in solving future challenges.
- 2) How will you enable every single person in the company from entry level staff through to the board of directors to understand how they are achieving the company's strategy. There is a story that when President Kennedy visited a NASA facility in 1962, he asked a janitor with a broom what the janitor was doing. The janitor supposedly said "Mr. President, I'm helping put a man on the moon."
- 3) The tactics will depend on the person's role in the company e.g. The CEO may do acquisitions and divestures, at all levels there may be processes, technology and talent changes, and the janitors have the tools to create and maintain cleaner work environment.

What are two illustrations of the difference between strategy and tactics?

#1 Hannibal 218-204 BC

- 1) Hannibal crossed the Alps (Romans thought this was not possible).
- 2) Hannibal won massive victories in Italy in 18 months – 70,000 Romans died in battle of Cannae; ¼ of Roman adult males killed.
- 3) Hannibal never lost a battle in Italy during the next 14 years
- 4) Roman Consul Fabius avoided battle with Hannibal but did not win the war.
- 5) Roman General Scipio did NOT fight Hannibal in Italy, because Scipio knew he'd lose. Scipio conquered Hannibal's financial and logistical bases in Spain and then attacked Carthage, resulting in Hannibal being recalled from Italy.
- 6) Hannibal never attacked the city of Rome. Rome never surrendered or gave up. Hannibal lost the war.
- 7) Scipio never fought Hannibal in Italy, and won the war.

The key to strategy is being clear on what long-term success actually looks like. Then you need to successfully execute the right tactics. Hannibal and Scipio had different strategies i.e. different definitions of what long-term success looked like.

#2 Tiger Woods – 2006 British Open

- 1) Tiger Woods' competitors teed off, using drivers to hit balls over the bunkers.
- 2) Tiger Woods typically used a four or five iron.
- 3) His long-term vision of success was getting the ball in the hole.
- 4) He then determined the best place to putt from to get the ball in the hole
- 5) Working backwards from the best place to put from; he then used four or five iron to position for eventual success. Tiger Woods, like Scipio, was focused on long-term success.

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Doesn't good execution beat strategy?

- 1) I've often heard people say that good execution beats strategy. Being able to run faster, and last longer, than the competitors in your race, is of no value if you are running away from the finish line.
- 2) Your challenge is to have a better strategy than the competition and to successfully execute the right tactics.

Do you need an Office of Strategic Initiatives?

- 1) Do not create an Office of Strategic Initiatives, with EVPs, VP, Directors, etc. of Strategic Initiatives.
- 2) Why not?
- 3) Every single person in your company must be focused on executing the tactics to achieve the strategy of your company.
- 4) Every single person in your company needs to understand the relationship between what they do every day and your company's strategy.
- 5) When ever I come across an organization with people whose titles include "Strategic Initiatives", I make two observations: a) I wonder how those leaders and employees who are not working on strategic initiatives feel and are motivated b) I wonder why the company does not eliminate all the people, processes, and technology that are not focused on achieving the company's strategy.

What are your next steps?

Phase One

- 1) Individually survey each board director and C-Suite member.
- 2) Ask them what the strategy of the company is and what are they doing to achieve the strategy of the company.
- 3) Identify the metrics regarding the strategy.
- 4) Document the metrics for each member of the board of directors and the C-Suite.
- 5) Analyze the results to determine: common understanding of the strategy and alignment of individual leader efforts with the overall strategy.
- 6) What are the learnings of the analysis?
- 7) What needs to change? Some of the changes may require replacing people.

Further phases

- 1) Extend the Phase One process throughout your company.

What further reading should you do?

Is your company planning to fail?

<http://koorandassociates.org/avoiding-business-failure/is-your-company-planning-to-fail/>