

Strategy in action - cheatsheet

Stakeholders and CSR

- **Purpose** = value for stakeholders; must fit the culture.
- **Power/attention-matrix**: key players (cultivate support), sleeping giants (keep satisfied), gadflies (information provision), rest minimal effort. It is attention, not interest. Positions differ per issue.
- **CSR**: above the legal minimum. Stances: laissez-faire, enlightened self-interest, forum for stakeholder interaction, shaper of society. Place on behaviour, not on words.

Culture

- **Schein**: values, beliefs, behaviours, assumptions. The deeper, the stickier.
- **Cultural web**: paradigm plus stories, symbols, rituals & routines, power structures, organisational structures, control systems.
- Identity (insiders), image (outsiders), culture (what really happens).
- **Strategic drift**: incremental change, strategic drift, flux, transformation or death. Causes: uncertainty, lock-in/core rigidities, cultural entrenchment, powerful people.

People

- **Creative destruction** (Schumpeter): creating something new destroys something old. A founder is not automatically an entrepreneur.
- **Agency problem**: manager is not owner. Principal-principal: large versus small shareholders.
- **Adverse selection** = before contract (screening, signalling, due diligence). **Moral hazard** = after contract (monitoring, incentives).
- **Corporate governance**: board/supervisory board, shares and bonus.
- Leadership: top (envisioning, aligning, embodying), middle (champions, sense makers, adapters). Transformational = soft levers, transactional = hard levers.

- **Barnard's zone of indifference**: what an employee does without objection.

Structure

- Chandler: structure follows strategy, and vice versa. Structure follows complexity.
- Growth path: simple structure, leadership crisis, functional structure, autonomy crisis, divisional structure (M-form), matrix (two bosses).
- Coordination: standardisation of work, skills, output.
- **Goold & Campbell**: planning influence versus business unit accountability: strategic planning, financial control, strategic control.

Evaluating and changing

- **Gap analysis**: three dimensions (product markets, accounting profitability, market measures) and three comparisons (targets, trends, comparable organisations).
- **SAFE**: Suitability, Acceptability (Risk, Return, stakeholder Reactions), Feasibility. If one fails, do not do it.
- **Forcefield-analyse** (forcefield analysis): negative balance, first strengthen the forces for change.
- Culture change: 4 R's (recruitment, retraining, reward, reinforcement).
- **Sensemaking**: fracturing, differentiated understanding, mutual adjustment. Communication is not the same as understanding.
- **Procedural justice**: the three E's: Engagement, Explanation, clarity of Expectations. Distributive justice: equality or equity.
- **Kotter**: urgency, coalition, vision, communicate, empower, short-term wins, consolidate, institutionalise.

Pitfalls

A founder is not an entrepreneur. Adverse selection is not moral hazard. Agency is not principal-principal. Identity, image and culture differ. Drift is not doing nothing. Laissez-faire is not unethical. Planning is not financial control. When in doubt: do not translate.