What Is Strategy Anyway?

At the fair of definitions and concepts

There is no single definition of strategy. There never has been nor will there ever be. Even if we allow ourselves to be more liberal methodologically and to think about ways of defining strategy other than through classical requirements using *definiendum*, we will always define strategy either too narrowly, too broadly or simply in a way that allows academics, practitioners and consultants to simultaneously agree. Does it mean that we don’t understand what strategy is? No.

As a scientific discipline, strategic management is a theory of company effectiveness. It is a difficult, technical and multidisciplinary field at the intersection of modern microeconomics, financial theory, organizational studies, marketing, quantitative methods and social psychology. As a practice, strategic management is a search for the best way for companies to develop. This is why the simplest definition of strategy is a coherent and effective response to environmental challenges. Strategy is neither an elaboration of plans and budgets, nor a hundred slides in PowerPoint, nor a list of key company competencies. It is a coherent concept of action based on a few complementary key choices that allows companies to benefit from opportunities to build competitive advantage and to earn above-average results.

‘Strategy’, as described by Sun-Tzu in the book *Art of War* from the 6th century BC, or as discussed by 17th-century samurai Musashi Miyamoto in the *Book of Five Rings*, as in the classical treatise *About War* by Clusewitz, or as stated by Michael Porter in his famous work *Competitive Strategy*, has a different meaning but always includes common elements.¹ Also academic definitions of strategy have changed every 10 years for the last 50 years as a function of new theories and schools of strategy. Yet they include a common foundation: a set of choices made

¹ K. Obloj, *The Passion and Discipline of Strategy* © Krzysztof Obloj 2013
by top managers using company resources and opportunities from the environment to improve effectiveness of a company’s activities. Despite this common thread, strategy is even more difficult to define than it was 20 or 30 years ago. Although having a good definition of strategy is crucial for the theory and practice of management, nothing will change because in recent years the field of management has become a big market, if not to say a bazaar of theories, concepts, models and terms. There are many reasons for this.

Certainly one of the reasons is the increase in the intensity of competition, sometimes referred to as hyper-competition, globalization and faster – actual or alleged – aging of old recipes for effective management. Managers have a feeling that to fight effectively for one’s place in the market, they have to seek new model solutions and new practices. Demand creates a market for theories, concepts and terms. Novelty is priceless in this market – as is the case of other products on the market. Expressiveness or even outrageousness can also be important. That is why the titles of books have become ever more radical. No one will bother with forlorn and boring titles such as Effective Management or Principles of Good Management. An optimal gambit for the launch of a new book is to signal in its title an end of strategy, structure and so on and/or to announce a new beginning (horizontal organization, virtual organization, remote working, creativity as the main company drive, China or India as the empire of the 21st century, etc.). The use of colorful metaphors, emotions and imaginative narration is universal. Typical of this is the beginning of the book by Lynda Gratton from the London Business School titled Hot Spots: ‘You always know when you are in a Hot Spot. You feel energized and vibrantly alive. Your brain is buzzing with ideas and the people around you share your joy and excitement. The energy is palpable, bright and shining. These are times when what you and others have always known becomes clearer, when adding value becomes more possible. Times when the ideas and insights from others miraculously combine with your own in a process of synthesis from which spring novelty, new ideas and innovation. Times when you explore together what previously seemed opaque and distant.’

Simultaneously many of these books and concepts incessantly repeat the same recommendations – act flexibly, quickly and stay focused. Create new markets, surprise leaders with an attack, take advantage of human resources, build organizational culture, cut expenditure, be innovative and break the rules of the game (all of them at best). It doesn’t mean that these obvious claims have no sense. They are really important because, after all, management also consists of a fast,