

PLAYING TO WIN

How Strategy Really Works

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MAIN IDEA

Strategy is "an integrated set of choices which uniquely position a firm in its industry so as to create a sustainable advantage by being able to offer superior value relative to its competition."

Strategy is about making choices pure and simple. It's all too easy to over-complicate strategy. The reality is to develop a winning strategy, all you really need to do is plan and then execute your best answers to five important questions:

- What is your winning aspiration?
- Where will you play?
- How can you win there?
- What capabilities do you need?
- What management systems will be required to support it all?

All five questions must be answered in an integrated way if you are to succeed in creating a strategy which is viable, actionable and sustainable. Developing strategy is frequently iterative – as insights come to light in one area, you may need to go back and revisit choices made elsewhere. It is the combined impact and effect of all five choices which count.

"Strategy needn't be the purview of a small set of experts. It can be demystified into a set of five important questions that can (and should) be asked at every level of the business: What is your winning aspiration? Where should you play? How can you win there? What capabilities do you need? What management systems would support it all? These choices, which can be understood as a strategic choice cascade, can be captured on a single page. They can create a shared understanding of your company's strategy and what must be done to achieve it."

– A.G. Lafley and Roger Martin

"Strategy needn't be mysterious. Conceptually, it is simple and straightforward. It requires clear and hard thinking, real creativity, courage, and personal leadership. But it can be done."

– A.G. Lafley and Roger Martin



1. What is your winning aspiration? Page 2

To develop great strategy, you first need to clarify what is the purpose of your enterprise, your mission or winning aspiration. The term "winning" means different things to different people so the first step in developing great strategy is to specify exactly what winning will look like for you.

2. Where will you play? Page 3

Once you state what winning will look like, you then need to identify a playing field where you can realize your aspiration. No company can be all things to all people and win so where-to-play choices – which markets, which customer segments, which channels, which industries, etc. – narrows your focus. You must do this to win.

3. How will you win? Page 4

This question clarifies the activities of your firm which underpin your intended competitive advantage. This is the recipe for success in your chosen market segments, geographies and so on. How-to-win is closely linked to where-to-win – you're not trying to win everywhere but in your nominated domains.

4. What core capabilities are required? Page 5

Next you specify the range and set of activities which will enable you to win where you have chosen to play. You need to map out the competencies which will underpin your where-to-play and how-to-win choices. You also need to consider how these capabilities will combine and reinforce each other to generate an enduring advantage.

5. What management systems are needed? Pages 6 - 8

Finally, strategy also includes the systems, structures and measures which will be required to support the other choices you've made. You need purposefully designed systems which will foster, support and then measure the strategy. Robust and workable management systems are required to execute your strategy.