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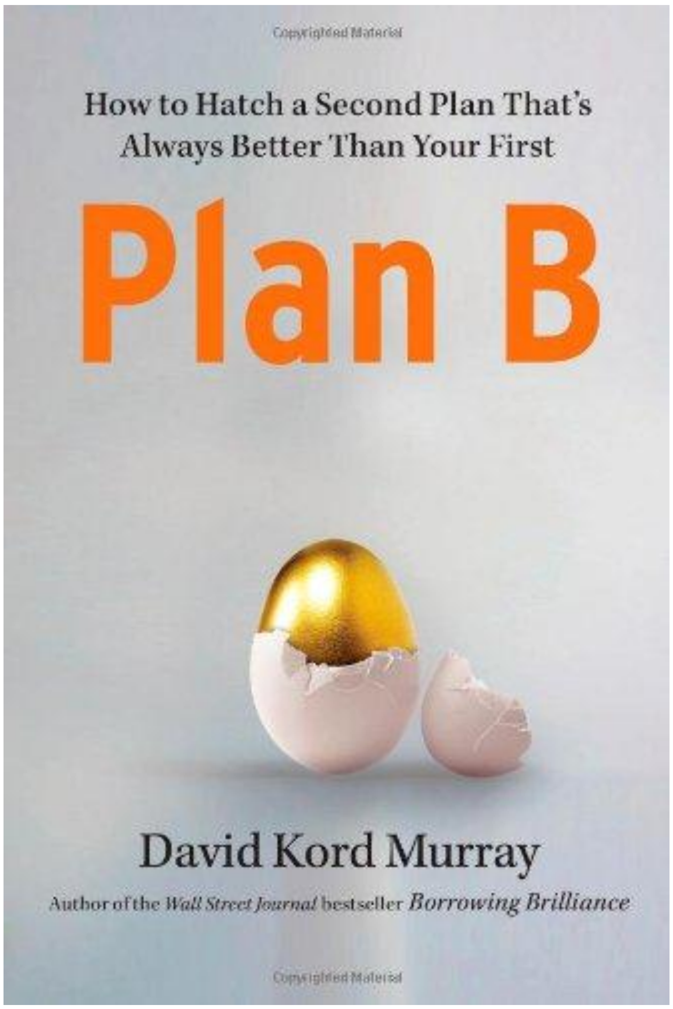
Managing Books
The principled strategist – Go ahead and map out an optimistic Plan A, but realize that it will evolve into a more workable Plan B

Plan B
By David Kord Murray – Free Press



Strategy in organizations usually comes from above: A plan is laid out, and everyone is expected to make it happen.

But consultant and author David Kord Murray argues that effective strategy is far more complicated than that. In *Plan B*, a helpful book to ponder as we prepare for new strategies that often accompany New Year's, he insists that traditional top-down thinking must be complemented by bottom-up awareness.

"The strategic needs to be tempered with the tactical," he writes. Similarly, for every Plan A, you have a Plan B. You must be willing to take the pieces of Plan A and reformulate them into a workable strategy.

Plan B, thus is the evolutionary descendent of your original plan, arrived at through a fusion of strategic planning and tactical execution. "Because things happen so quickly these days and we can't accurately predict how the world will unfold, we have to devise plans that are constructed with the idea that they are made to evolve; that they must be fluid, not written in concrete, "Mr. Murray writes.

He lays out 11 guidelines for such adaptive management:

The principle of problems
A company's business model tries to solve a number of problems, which co-exist in a hierarchy. The more problems you must solve, the more complex your plan must be. The strategy must be based on a primary problem and your solution to it. For Wal-Mart, for example, that's keeping prices low.

The principle of solutions
Tactics are the tools to solve the problems. But the effectiveness of those tactics will degrade over time. So you must constantly search for new and improved solutions to the problems, and expect that each tactic will create a new set problems and require a new set of solutions. For example, if you switch to direct mail to solve a sales problem, you must then address which list to use, what offer to make and when to send out the mailing.

The principle of force
Choose your competitors carefully, and compete in an area where you have superior forces. In its formative days, Facebook chose to focus on universities, rather than battle with MySpace as an open social network before it had built up the strength to win.

The principle of concurrent thinking
Which comes first, strategy or tactics? The answer is both. "Concurrent thinking is the ability to perceive things from the top down (strategically) and, at the same time, see how things fit together from the bottom up (tactically). That's how we create strategic alignment, a fusion of strategy and tactics," Mr. Murray says.

The principle of cascading objectives
You must turn your strategy into a set of specific objectives and metrics associated with each of them. Just as you have a hierarchy of problems to solve, you will have a series of cascading objectives, each one helping you to take the next step toward success.

The principle of paper plans
The plan you are making is worthless. It won't work out the way you intend. But the act of planning is important, and that's why you must develop the plan. The process educates you and your colleagues, preparing you to adjust wisely during implementation.

The principle of multiple features
It's impossible to predict the future, given the chaotic environment and multitude of competitors and customers you face. Instead of trying to predict a single outcome, you must consider multiple scenarios. Contemplating those allows you to develop the solutions you might need and be prepared for the adjustments required.

The principle of doubt
If you're smart, you'll doubt your forecast and business models, and always be open to intelligent adjustments. "Don't be fooled by the power of positive thinking: it needs to be tempered with negative thinking," he writes.

The principle of correlation and causation
A strategy is based on a hypothesis for solving a problem. Beneath that hypothesis is a theory on cause and effect – what actions will lead to the desired results. But as you measure progress, you must have to be sure you aren't misled by the influence of other variables on the situation. The results you are seeing may correlate with what you were intending but be caused by something entirely different than your strategic thrust. Or as Mr. Murray puts it: "Correlation doesn't mean causation."

The principle of alterations
We move from Plan A to Plan B through two separate paths. We can use our existing tactics to solve a new problem, as Arm & Hammer did when it promoted baking soda to absorb refrigerator odours; or we can come up with a tactic to solve an existing problem, as Gillette did when it added more blades to its razors.

The principle of strategic debate
The final guideline is short and sweet: you need discussion and debate to be adaptive and continually improve your strategy.

The 11 principles are a lot to remember – too much, perhaps. But developing strategy and appropriate tactics is complex work. The point is not to memorize the principles, or use them as a checklist for strategy, but to understand how they interconnect and underlie successful strategic planning so that you can be more adept at concurrent thinking. Plan B guides you through the issues, principle by principle, in an enlightening and enjoyable manner.