

# It's all about the strategy. Always

**I ascribe huge importance to strategy.** When you get it right, it virtually guarantees success and when you don't, it does the opposite. I want you to think hard about your strategy and how vital it is to continually update its tenets in response to a changing environment.

Military history is often a good place to look for illustrative examples. That's simply because war is such a fast-moving environment, full of uncertainty and both sides are "all in." Which is a great metaphor for business.

Germany's early success in WWII was due to a number of factors, most important of which was a brilliant strategy. At a very high level, Hitler was intent on defeating continental Europe, forcing Britain to sue for peace, thereby ensuring America would not enter the war and then to turn his undivided attention to the East and Russia. That strategy worked in its infancy because Germany had realized that war had changed; it would no longer be fought on the basis of the strength of one's forts and other fixed-line defenses. Rather, outcomes would be decided by the mobility of one's battle units and how quickly they could move so as to create surprise. It helped that the execution of this strategy, first in Poland and then by way of a thrust through the Ardennes forest, where the Allies least expected an attack, was carried out virtually according to plan. Military units had been well trained and possessed modern equipment and much thought had been invested in how to co-ordinate both the army and air force resources for maximum effect. The Allies, on the other hand, were equipped with equipment dating from the previous war and their training and tactics were based on decades-old systems, lessons and principles.

It should be patently obvious as to the extent to which it is possible to lift such an overview and apply it to almost any industry in the last 20 years. Think about the media business, the photography business, or to put it another way, think about which industries have been harmed by the growth of Google or Apple or Facebook. Or look at the "nifty-fifty," the stock market darlings of the late '60s and early '70s and where those companies are today.

Back to WWII for more lessons.

Germany's early success was squandered when its strategy failed to adapt. Britain was



**Digital Equipment squandered its dominance in mini-computers because it failed to appreciate the extent to which personal computers and micro-processor advances would dramatically change the market**

not covered into submission and indeed it was Churchill's mission to do everything possible to drag America into the war. Failing to account for the extent to which such a change undermined his ability to turn on Russia, Hitler did so anyway, thereby exposing himself to a war on two fronts. Moreover, the strategic brilliance of the European campaign was replaced with an ad hoc and ill-conceived approach to bringing Britain to heel. Hitler failed to use his air superiority to wipe out England's airfields and air force, instead believing that bombing London would so scare the population that Churchill would be forced to bargain for peace. These were strategic missteps.

In the same way that Digital Equipment squandered its dominance in mini-computers because it failed to appreciate the extent to which personal computers and micro-processor advances would dramatically change the market, Hitler failed to appreciate how his strategy should have changed given the changing circumstances of the war he had planned.

How many companies have fallen into this trap? Too many. Whether it's complacency, hubris, lousy leadership or just having your head stuck in the sand doesn't really matter. What matters is that you and your business are continually reviewing your strategy, testing the principles upon which it is based to see if they still hold true or whether some technology or development has changed the market in such a way as to undermine those principles. This requires humility, an open mind and a willingness to change. Too often, determination and being resolute are confused with sticking to your guns and staying the course. Such character traits are admirable but they are subordinate to strategy, always, and their role is to serve strategy. Not to govern it.

In the hope I can count on your attention, more on this subject next issue.

John Risley, president of Clearwater Fine Foods Inc., regularly engages in policy debate as a member of the World Presidents' Organization, the Chief Executives Organization and as a director on the Board of the Canadian Council of Chief Executives. Feedback: [dchafe@atlanticbusinessmagazine.com](mailto:dchafe@atlanticbusinessmagazine.com); @AtlanticBus; @ABM\_Editor; @Clearwatersea; #DevilsAdvocate