ELEVATE
For my wife Anne, daughter Jessica, and son Luke, who, at five years old, compared my CD on strategy to a sermon at church:

“There’s a lot of talking, I don’t understand most of it, and I think I’m getting sleepy.”
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Elevate

To see things in a new way,
we must rise above the fray.

Approaching the Hughes 269C helicopter, the first thing I notice are the doors—there aren’t any. “Nope, no doors,” explains Chris, my helicopter flight instructor. “Gets too hot in there.” It’s amazing how much more closely you pay attention to the seat belt instructions when the aircraft you’re about to go up in has no doors. After completing a thorough pre-flight checklist of some 60 items, including a review of the helicopter’s nose area, cabin, engine, main rotor system, tail boom, and tail rotor, we slip into the only two seats in the helicopter. Chris walks us through another review, this one being the 64 items on the pre-takeoff checklist and we’re ready to go.

As we elevate into the clear blue sky, I’m immediately struck by how different things look from this vantage point, even though we’re only about 500 feet up. I see patterns of traffic on the roads and the outlines of towns bumping up against one another. I see features of buildings I’ve not seen from this perspective. I see homes on 10- and 20-acre parcels of land, too secluded to see from the ground. Now, I see it all.

Then Chris says, “Ok, your turn to fly this thing.” He reminds me how the cyclic stick—used to tilt the main rotor disc by changing the pitch angle of the rotor blades on top of the chopper—should be treated like a martini. Any big, jerky moves of the martini glass and your drink will spill. It’s the same concept with the cyclic. It should
be moved slightly and smoothly, as the tilting of the rotor disc in a particular direction results in the helicopter moving in that direction. At the same time, my feet are on the tail rotor pedals, which control the smaller blades at the back of the helicopter. Since we’re in a hovering position, the tail rotor pedals are controlling the direction of the nose of the helicopter. I’m checking the flight instruments inside the helicopter and scanning the air space around us for other aircraft, buildings, and electrical lines.

“You know you just took us up 100 feet?” Chris asks.

“Uh, no,” I answer, as a 20-knot wind blows through the open cabin. I feel the helicopter swaying and realize I just took us up another 100 feet. Anxiety growing and confidence shrinking, I say, “Maybe you should take the controls back.”

“Sure,” says Chris, smiling as he notices my left hand clinging to the underside of the seat as we bank right, my body tilting towards the opening where the door should be. I’m staring at the countryside below, and thinking, “Thank God I got the seatbelt part right.” My helicopter piloting lesson had come to an end.

What I took away from the lesson is that it requires great knowledge, preparation, and skill to capably fly a helicopter. I obviously didn’t have these things, but my instructor did. The mastery to operate multiple controls simultaneously, monitor the flight instruments (internal conditions), assess the air space (external conditions), and devise an intelligent flight plan all contribute to a successful journey. And so it is with leading a business. A truly strategic leader possesses the mastery to manage multiple initiatives simultaneously, monitor the internal conditions of the business (e.g., people, processes, culture, etc.), assess the external conditions (e.g., market trends, customer needs, competitive landscape, etc.), and design a strategic action plan to achieve the goals and objectives. In both cases, elevation is required.

To elevate means to lift up, or to raise to a higher rank or intellectual level.¹ A helicopter is arguably the most precise, agile vehicle for physically raising a person up to considerable heights. Unlike fixed-wing aircraft (planes), helicopters are able to hover in one position for extended periods of time, ranging from a few feet above the ground to
more than 36,000 feet high. One of the biggest challenges I continu-
ally hear from CEOs and talent management leaders is, “We need to
elevate our manager’s thinking.” In essence, they’re saying that man-
agers need to be able to quickly elevate their thinking from down in
the tactical weeds of day-to-day operations to a higher level. At this
higher level, they can expand their perspective to understand how the
core foundational elements of their business fit together and provide
superior value to customers. The challenge of taking time to elevate
one’s thinking is supported by an Economist Intelligence Unit survey
in which 64 percent of managers in bottom-performing companies
cited the challenge: “We are too busy fighting the daily battles to
step back.”

A helicopter has the agility to navigate within congested areas, such
as skyscraper-filled cities, and also get to remote areas not accessible
by any other means, such as mountaintops, giving them unmatched
versatility. This versatility translates into a variety of functions rang-
ing from emergency medical transport to aerial attacks by military
forces. As author James Chiles wrote, “Of all birds, winged mammals
and insects, very few have mastered the skill of pausing in midair and
going backward as well as forward, so anything capable of such flight
is a rare beast.” Business leaders also require agility—mental agility.
Mental agility enables leaders to think clearly through the congestion
of information—which comes in the form of e-mails, reports, and
meetings—to isolate the trade-offs and decisions that will make or
break their success. In both cases, a fair amount of risk is assumed.

Importance of Strategy

The inability to elevate thinking in order to set strategic direction can
have devastating long-term effects on an organization. Research by
The Conference Board has shown that 70 percent of public companies
experiencing a revenue stall lose more than half of their market capi-
talization. Additional research attributes the primary cause of these
revenue stalls to poor decisions about strategy. While it’s convenient
to blame an organization’s failings on external factors such as the
economy, decisions about strategy account for failure a whopping 70 percent of the time. Following are two examples of executives citing external factors, in these cases “headwinds,” for their organizations’ failings:

_We faced a number of competitive headwinds that became more pronounced in the second quarter._

—Telecom CFO

_We are saddened by this development. We were all working hard towards a different outcome, but the headwinds we have been facing for quite some time... have brought us to where we are now [bankruptcy]._

—Retail store president

So, the next time you hear someone blaming the economy or headwinds for their poor performance, smile and hand them a mirror. If you’re going to take credit when things go well, then you’ll need to take accountability when things don’t go well. And that accountability begins with your strategy. As former United States Treasury Secretary Paul O’Neill said, “The great companies don’t make excuses, including excuses about how they didn’t do well because the economy was against them or prices were not good. They do well anyway.”

When poor decisions about strategy are made and an organization goes through a revenue stall, it’s been shown that, on average, low performance continues for more than 10 years. Unfortunately, this prolonged period of poor performance can lead to bankruptcy. Research on 750 bankruptcies during a 25-year period showed that the number-one factor behind these bankruptcies was bad strategy. Contrary to popular opinion, the researchers attributed the failures to _flaws in the strategies themselves_, not to _poor execution_ of the strategies. Therefore, it’s important to be skilled at crafting strategy.

Great strategy is created by great strategists. Great strategy doesn’t magically emerge from Excel spreadsheets, or elaborate PowerPoint decks. It comes from managers who can think strategically. In the _Wall
Street Journal, Filippo Passerini, president of global business services and CIO at Procter & Gamble asserts:

*It is becoming even more important to have the right strategies in place at the right point in time. Having the right strategies now is so important because if you happen to be wrong, you will derail within months. In the past, to figure out you were wrong, would take a few years. Now in three to six months, you may be in grave difficulty if you don’t have the right strategies.*

While most managers believe strategy is an inherent factor in their organization’s success, several studies also document the support for this claim. One study concludes that, “strategy has a positive and significant effect on a firm’s performance. Specifically, it is found to influence both the growth and profitability of a firm.” Another study summarized its findings as, “strategy contributes to profitability differences between successful and unsuccessful companies.” While both anecdotal and empirical evidence demonstrate the importance of strategy to an organization’s success and the lack of strategy to an organization’s failure, a thoughtful, methodical, and practical approach to strategy development is not common. A survey of more than 2,000 global executives found that only 19 percent of managers said that their companies have a distinct process for developing strategy. For those firms that do have a process for strategy development, an alarming 67 percent of managers said that their organization is bad at developing strategy. Clearly, there are some real-world challenges managers face in bridging the “knowing-doing gap” when it comes to strategy. Most managers know it’s important, but few do it effectively.

Top 10 Strategy Challenges

During the past decade, while leading strategic thinking workshops around the world, I’ve recorded a list of nearly 40 challenges that managers have said prevent them from effectively developing, communicating, and executing strategy. Honing my study down to 25 companies and the responses of more than 500 managers, the top 10 strategy challenges and the frequency of each challenge by company are listed in Table I.1.