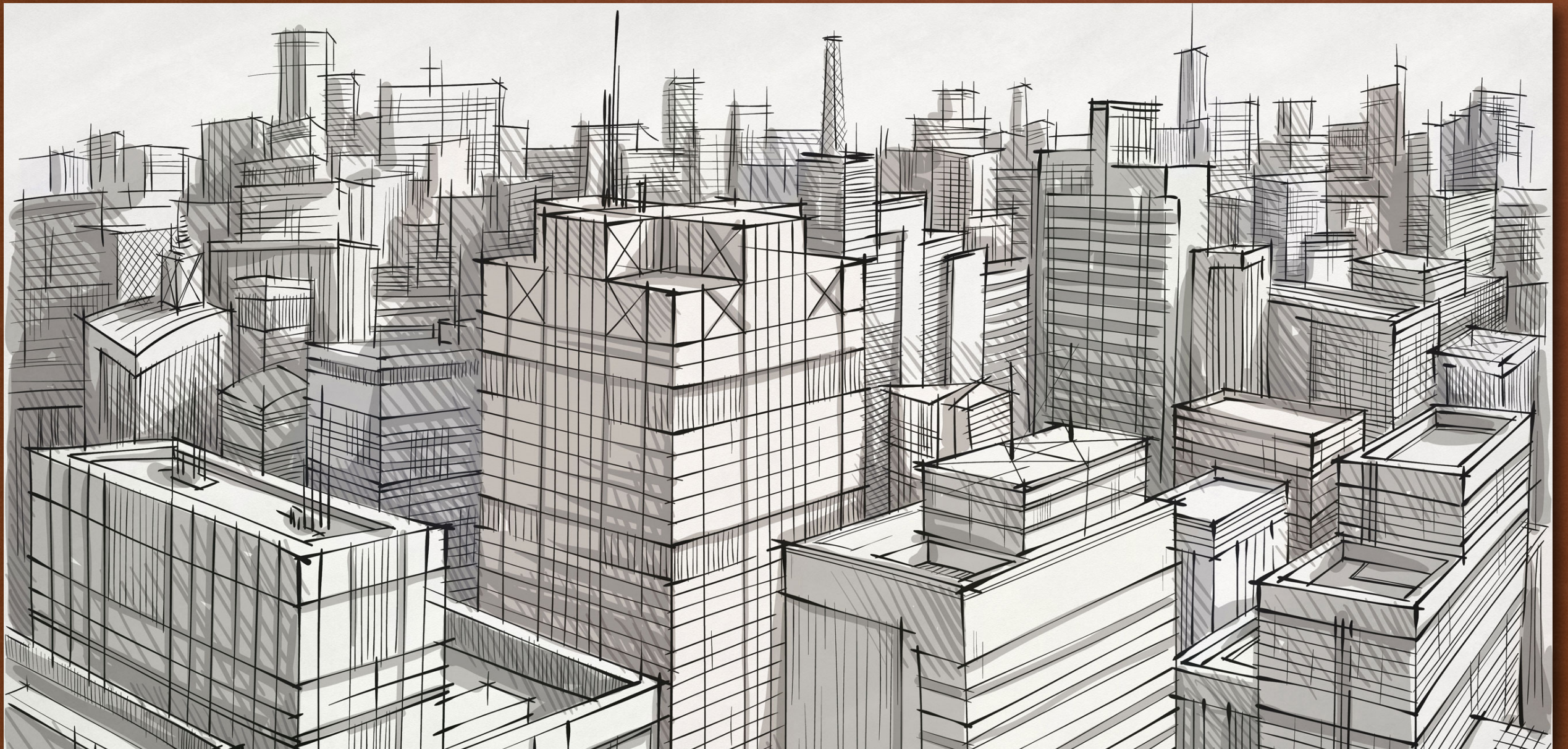


DEVELOPER'S GUIDE TO STRATEGY

ANDREW BELLAY • OCT 13, 2018 • SAN JOSE, CA
SILICON VALLEY CODE CAMP • PAYPAL TOWN HALL



WHAT IS STRATEGY?

DEFINE STRATEGY

Synonyms?

WHO CARES?

ME, MY THESIS & GOAL

ANDREW BELLAY, [STRATY.COM](http://straty.com)

- **Who am I?**
 - Education - family, unique high school, 3 degrees
 - 3-time founder
 - Helped form, advise, and am a vendor to 300+ companies
 - Experimented a lot: ExxonMobil, patents, published research, ran clean-tech nano VC fund, micro-brewer, self-taught iOS developer
- Operate MetaNeer Labs (metaneer.com), write at straty.com
- **My thesis:** Strategy is poorly understood and therefore poorly valued.
- **My goal:** Define, Explore, Codify, Exploit.

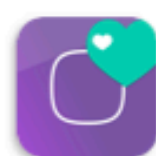


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of Chemical Engineering
Cockrell School of Engineering

 The University of Texas at Austin
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CORNING



The UNIVERSITY of OKLAHOMA



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MEDICINE



 **nomly**



UCSF

University of California
San Francisco



Google



leapcommerce



versalume



TRUEVAULT
A secure API to store health data



appthority

FLEX
THE SCIENCE OF MOVEMENT

**WHY SHOULD
YOU CARE?**

PROBLEMS WITH "STRATEGY"

1. Big burden to carry
2. No clear, agreed upon definition
3. Strategy vs Tactics confusion
4. Countable vs Uncountable
5. Process vs Output confusion

4. COUNTABLE VS UNCOUNTABLE

"At the beginning of the weekend retreat, the executives didn't know the difference between strategy and tactics

...but by the end they had brainstormed 3 strategies to present to the board of directors."

WHAT IS STRATEGY?

MICHAEL PORTER

- Michael Porter, *What is Strategy* (HBR, 11/1996)
 - Not operational effectiveness
 - "Strategy is the creation of a unique and valuable position, involving a different set of activities."
 - "Strategy is making trade-offs in competing."
 - "Strategy is creating fit among a company's activities."
- What strategy is not & three descriptions - no definition.

WHAT IS STRATEGY?

A STRATY DEFINITION

Strategy is the **process** of creating a set of well-aligned **activities** with the aim of occupying a **valuable position** in a **competitive landscape**.

- Greek *strategia* "office or command of a general"
- From *stratos* "multitude, army, expedition, encamped army," (literally "that which is spread out") + *agos* "leader,"

<https://www.etymonline.com/word/strategy>

WHAT IS COMPETITION?

- **Compete** = to "strive to gain or win something by defeating or establishing superiority over others who are trying to do the same"
- Latin *competere*, from **com** "with, together" + **petere** "to strive, seek, fall upon, rush at, attack"
- Same root as *competence*
- Obvious military association
- Why is there competition?

<https://www.etymonline.com/word/compete> &
Google Definitions



WHAT'S WITH ALL
THE DEFINITIONS?

THE 7 CLASSICAL LIBERAL ARTS

TRIVIUM + QUADRIVIUM

- **Trivium = Grammar, Logic & Rhetoric (lower division)**
 - “Grammar is the art of inventing symbols and combining them to express thought;”
 - “Logic is the art of thinking;”
 - “Rhetoric is the art of communicating thought from one mind to another, the adaptation of language to circumstance.”
- **Quadrivium = Arithmetic, Geometry, Music & Astronomy (upper division)**

Sister Miriam Joseph, *The Trivium: The Liberal Arts of Logic, Grammar, and Rhetoric* (2002)

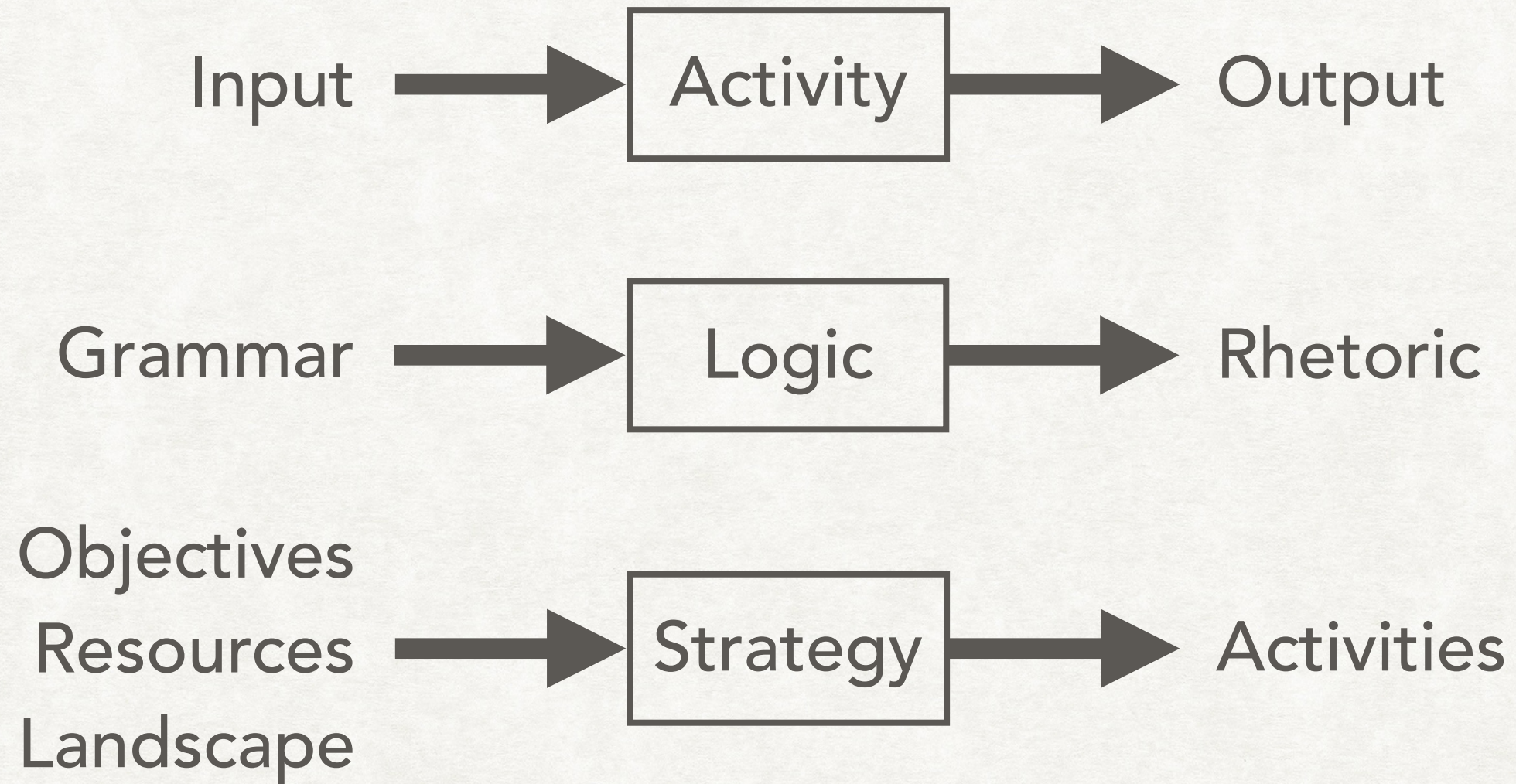
A PROCESS



TRIVIUM



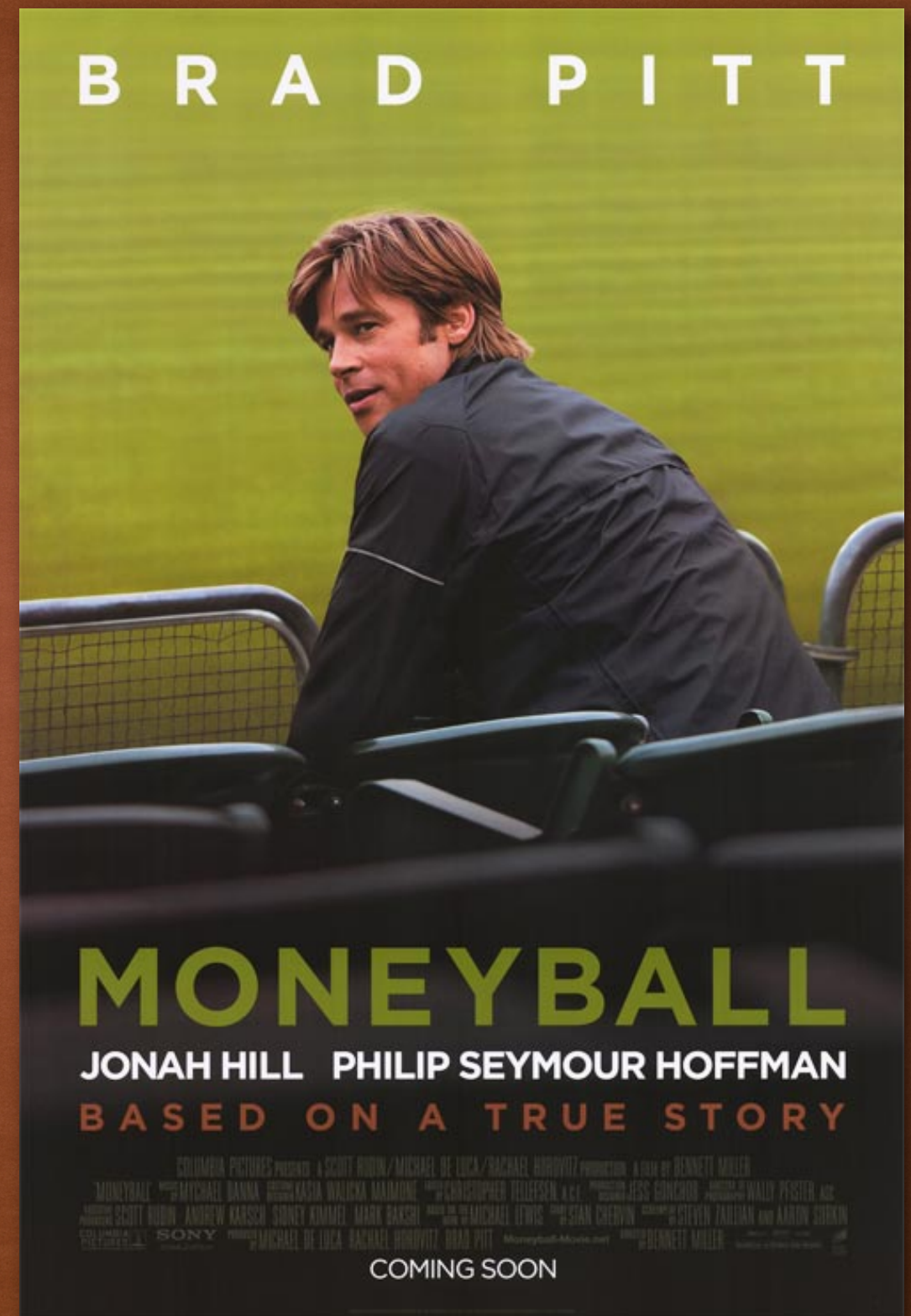
STRATEGY IS A PROCESS



Strategy is the process of creating a set of well-aligned activities with the aim of occupying a valuable position in a competitive landscape.

2002 OAKLAND A'S

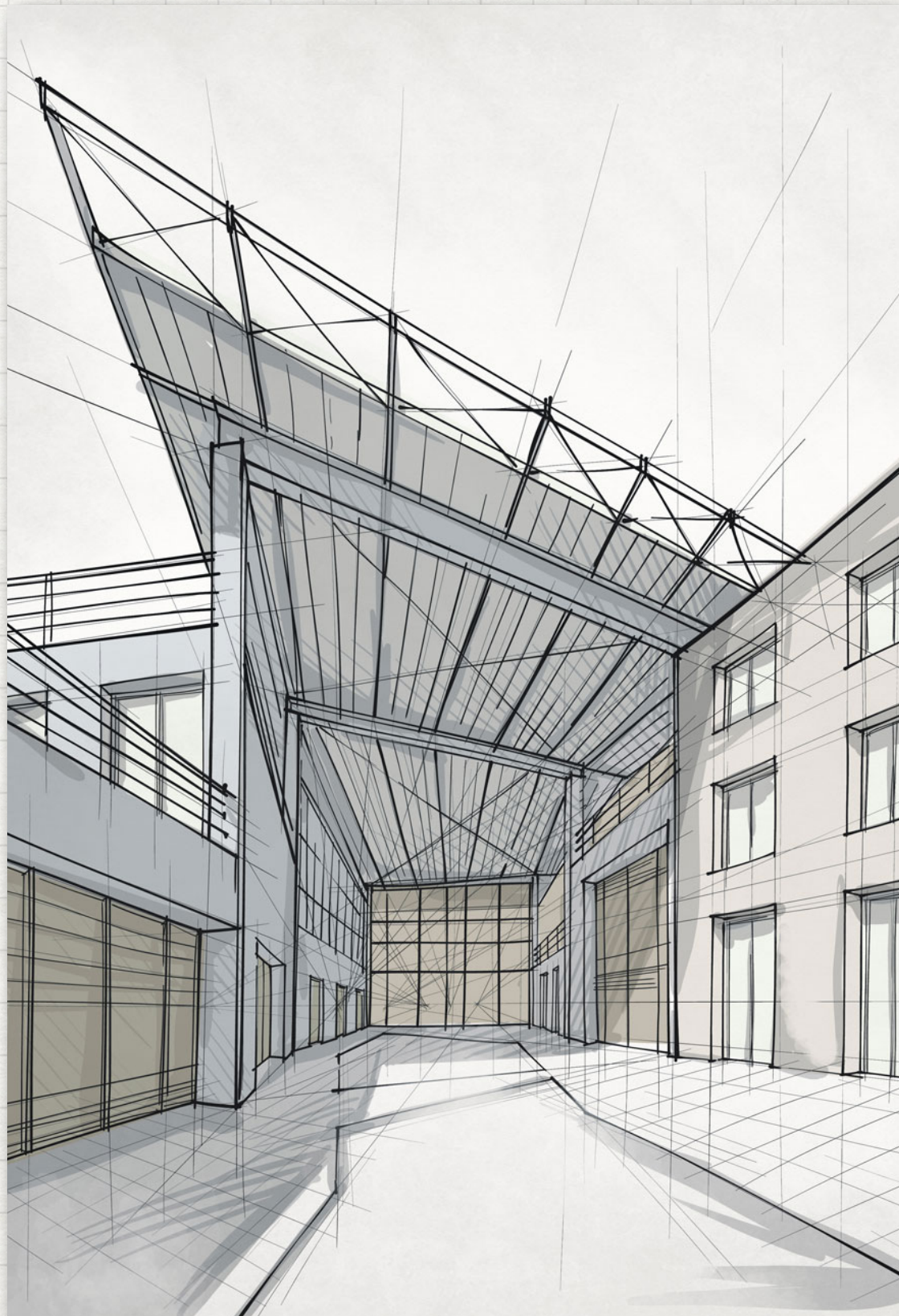
- Values & Objectives
- Resources
- Competitive Landscape:
 - Natural Terrain
 - Competition
 - Rules & Regulations
- Potential Activities



HOW TO FORM A STRATEGY?

WHAT DO WE NEED TO CONSIDER?

- Inputs:
 - Values, Objectives, POV
 - Resources
 - Competitive Landscape:
 - Natural Terrain
 - Competition
 - Rules & Regulations
- Outputs: Activities

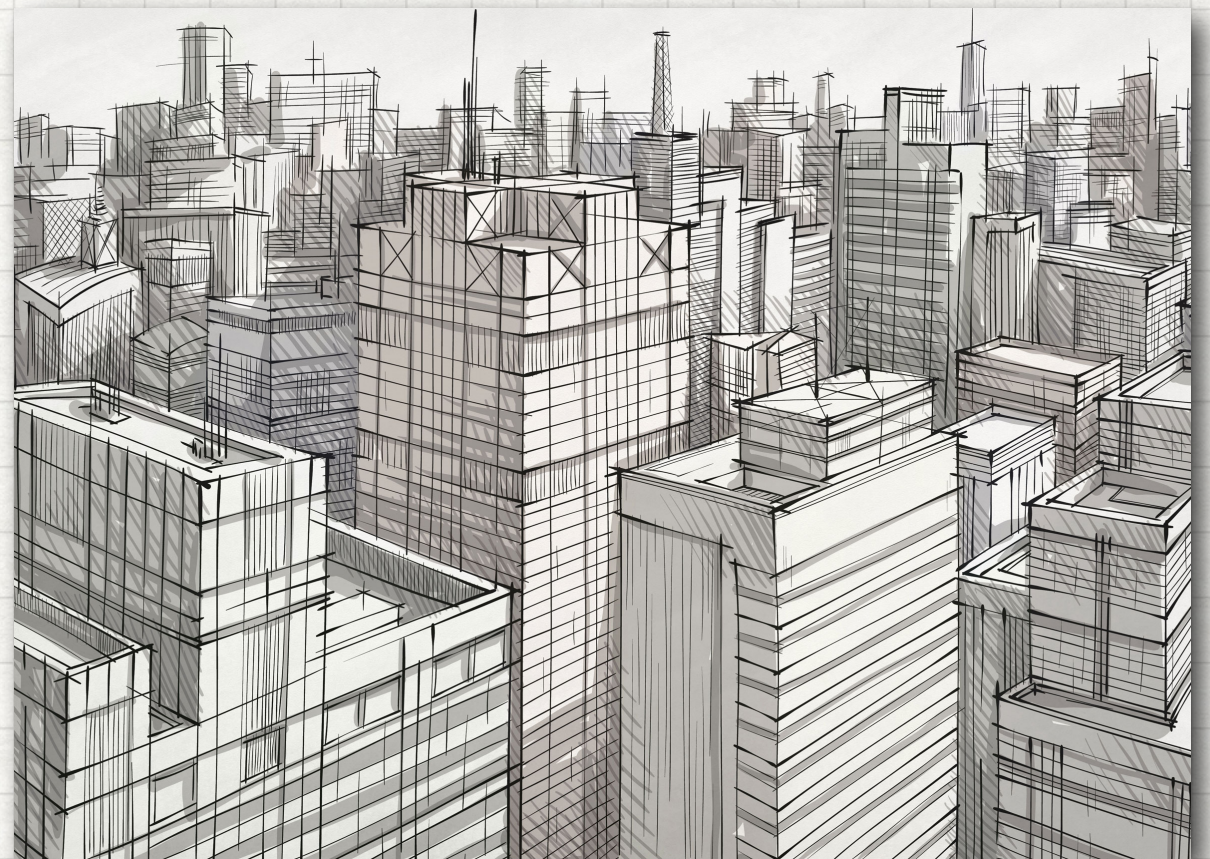
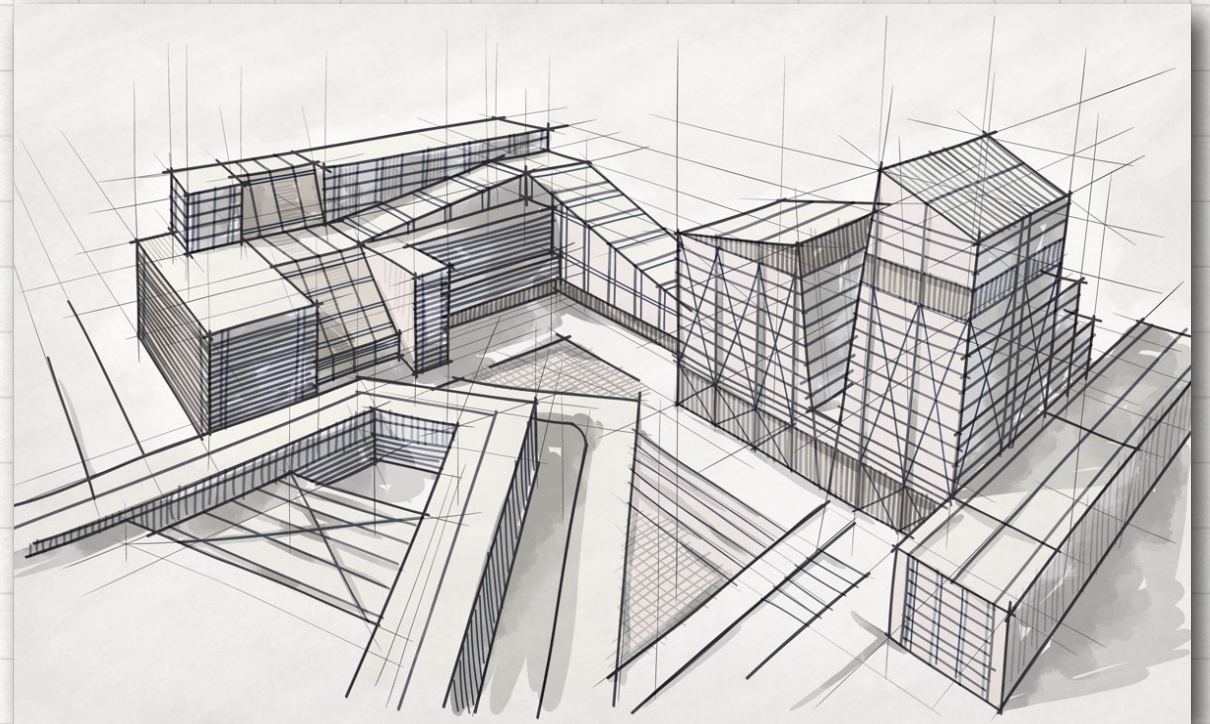


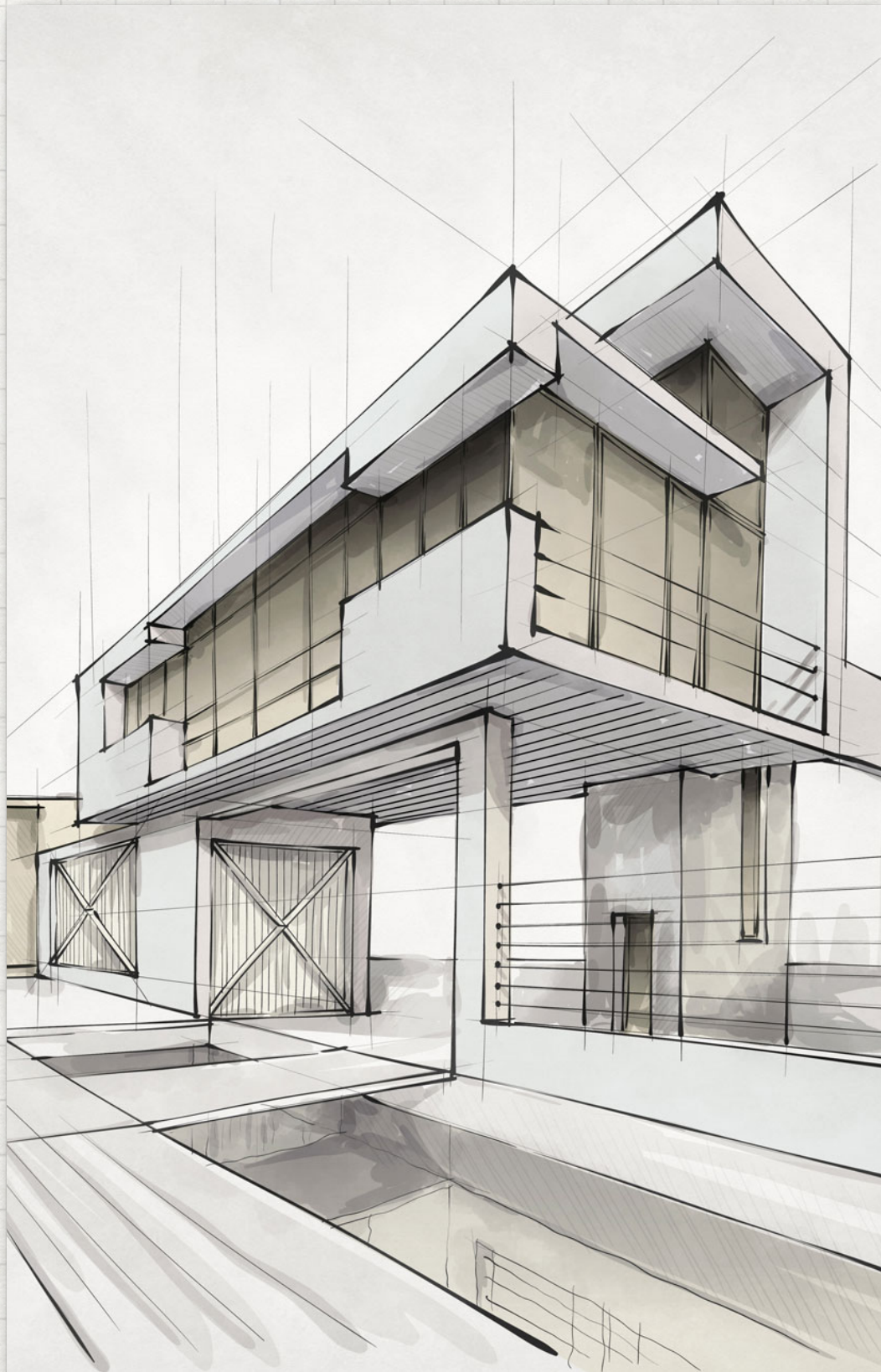
VALUES & OBJECTIVES

- What are our values?
- What's our vision? Mission?
- What are our objectives? Goals?
- Desired outcomes?
- Outcomes to avoid?
- What's your POV? Philosophy?
- What are our priorities?
- What does success look like? KPIs?

RESOURCES

- What scarce resources are we competing for? Why?
- What resources do we have at our disposal?
- What resources can we get? How? At what cost?
- What resources do we need? Why? How?
- What resources are over-valued?
- What resources are under-valued?

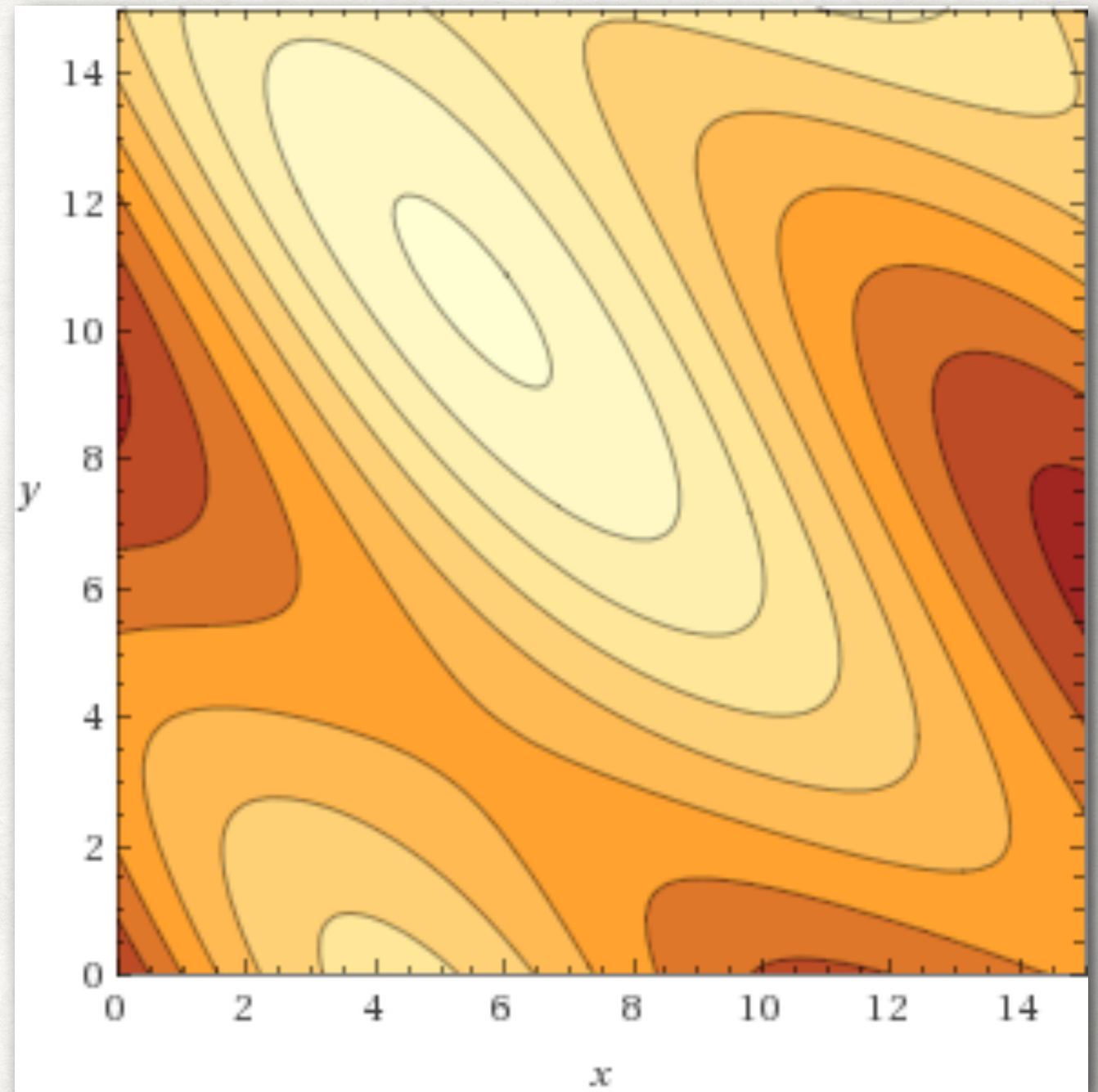
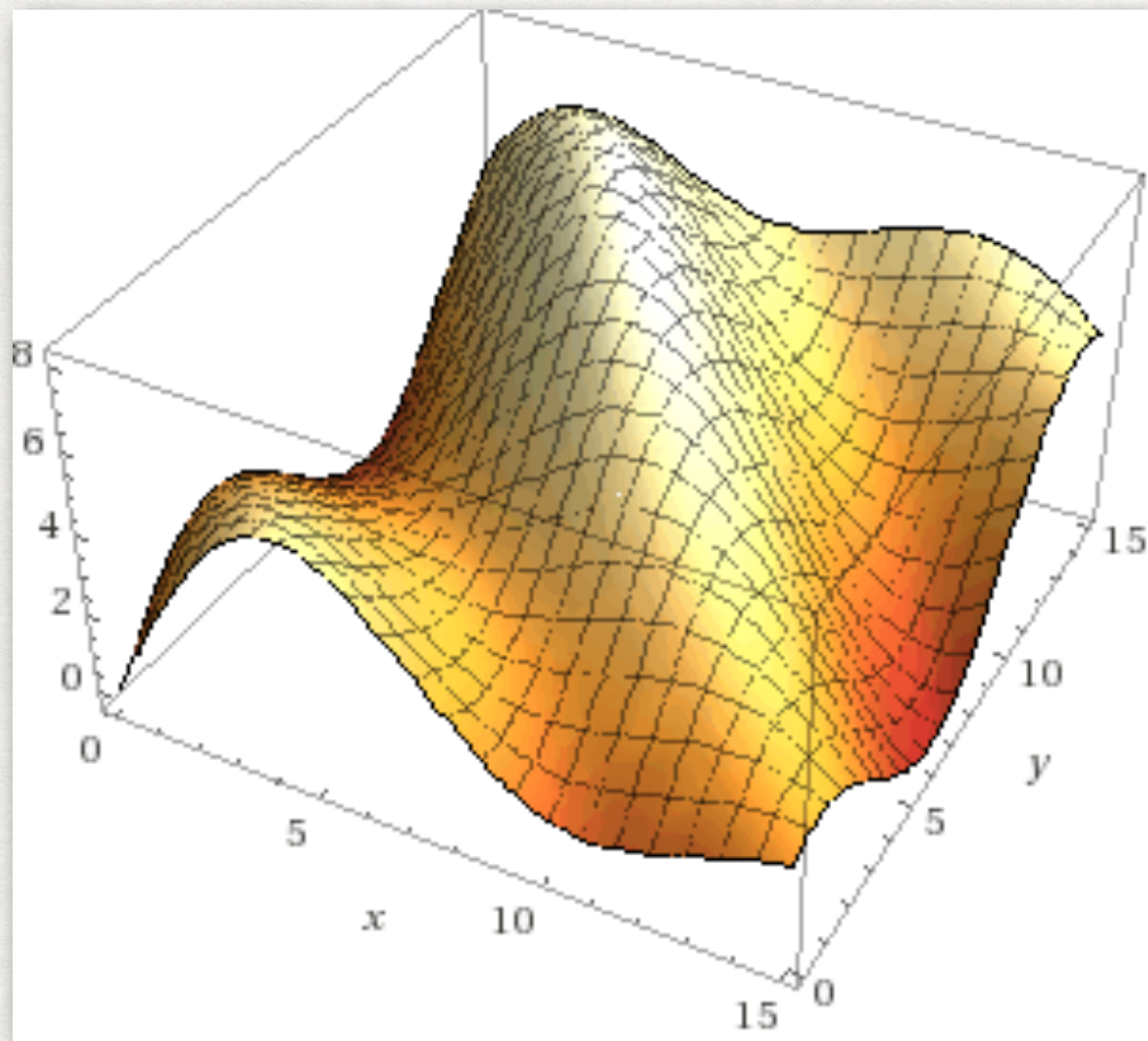




COMPETITIVE LANDSCAPE

- What does the landscape look like? Terrain?
- What are the valuable positions? Why?
- What are the relevant variables of a position? Irrelevant?
- Who are the players involved? Competition? Allies? Why?
- What does each player care about? Motivation?
- What rules govern the competition?
- What are the limits? boundaries?
- Which rules can we break at little or no cost? How can we cheat?

LANDSCAPE VISUALIZATION



POTENTIAL ACTIVITIES AND DECISIONS

- What are all of our potential moves? Activities?
- Why signals do we want to send?
- What can we say? to whom?
- What can we do? to whom?
- What activities align with our strengths and resources?
- Which activities reinforce one another?
- How can we avoid head-on competition?
- How can we foster coopetition?
- What are the important decisions you need to make? Unimportant?
- What are the largest elements of chance?
- What are the other forces at play? Macro? Micro?
- Does anyone control these forces? Us? Competition? Joint? Govt? Fortune? Other?

KEY TAKE-AWAYS

- Words matter. Trivium: Grammar, Logic & Rhetoric
- Strategy has meaning:
 - Strategy is the process of creating a set of well-aligned activities with the aim of occupying a valuable position in a competitive landscape
 - Both a process and an output, countable & uncountable
 - Not just tactics
- Follow a process to develop a strategy - even if that process is flawed or nascent
- Let's re-legitimize strategy



THANK YOU

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STRATY.COM