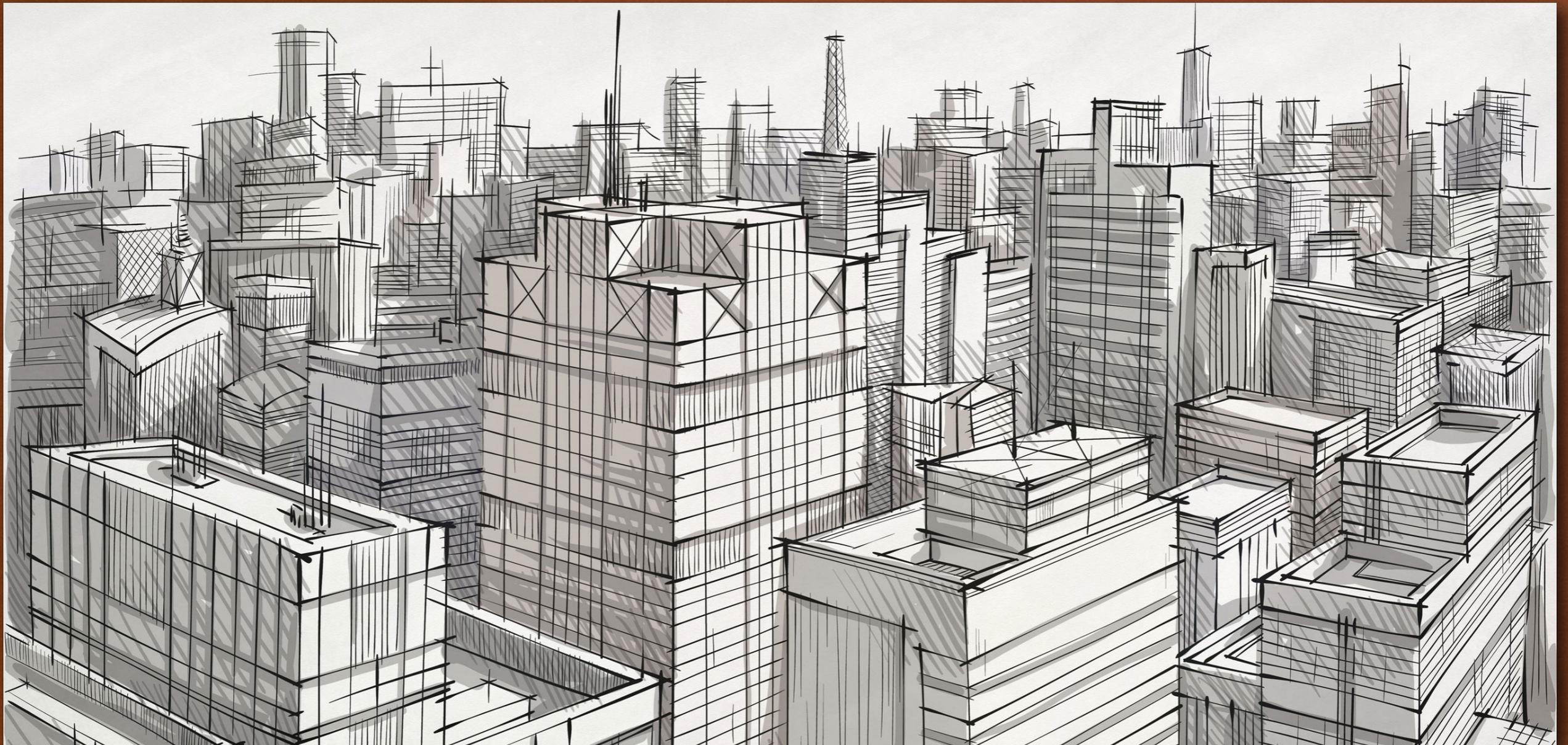


STRATEGY & ENTREPRENEURSHIP

ANDREW BELLAY — JULY 10, 2019

MGT 351 — ST. MARY'S COLLEGE



WHAT IS STRATEGY?

DEFINE STRATEGY

GOOGLE: "DEFINE STRATEGY"

strat·e·gy

/ 'strədəjē/ 

noun

a plan of action or policy designed to achieve a major or overall aim.

time to develop a coherent economic strategy

synonyms: **master plan**, grand design, **game plan**, plan of action, **plan**, **policy**, proposed action, **scheme**, **blueprint**, **program**, **procedure**, **approach**, **schedule**; **More**
tactics, set of tactics

"the government's economic strategy"

• **the art of planning and directing overall military operations and movements in a war or battle.**

synonyms: the art of war, **military science**, military tactics; **generalship**

"the process could revolutionize military strategy"

• a plan for military operations and movements during a war or battle.

"nonprovocative defense strategies"

SYNONYM?

GOOGLE: "DEFINE STRATEGY"

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"nonprovocative defense strategies"

STRATEGY = PLAN?

STRATEGY ETYMOLOGY

stratēgos (greek) → *stratēgia* (greek) → *strategy* (english)

stratēgos = *stratos* + *agos*

strategy = "multitude, army" + "leader"

strategy = "to lead that which is spread out"

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

WHAT IS STRATEGY? (HBR, 1996)

MICHAEL PORTER

Strategy is not **operational effectiveness**.

Three "definitions":

- 1) Strategy is **the creation of a unique and valuable position, involving a different set of activities.**
- 2) Strategy is **making trade-offs in competing.**
- 3) Strategy is **creating fit among a company's activities.**

**SOMETHING IS
STILL MISSING**

THE 2 MEANINGS OF "STRATEGY"

"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."

WHO CARES?

ME, MY THESIS & MY GOAL

ANDREW BELLAY

- Who am I?
 - Education - family, unique high school, 3 degrees
 - 3-time founder
 - Helped form, advise, or vendor for 300+ companies
 - Experimented a lot: ExxonMobil, patents, published research, ran clean-tech nano VC fund, micro-brewer, self-taught iOS developer
- Operate MetaNeer Labs, Product Management firm
- Write about strategy at Straty.com
- **My thesis:** Strategy is poorly understood and therefore poorly valued.
- **My goal:** Define, deconstruct, codify & exploit good strategy.

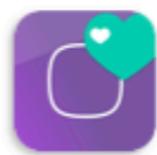


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UCSF

University of California
San Francisco



Google



leapcommerce



TRUEVAULT
A secure API to store health data



versalume



appthority

FLEX
THE SCIENCE OF MOVEMENT

**WHY SHOULD
YOU CARE?**

PROBLEMS WITH "STRATEGY"

1. Has a huge burden to carry.
2. No good or clear definition.
3. Both a process and an outcome.
4. Tactics mistaken with strategy.

Result: Failure or falling for snake oil.

WHAT IS STRATEGY?

THE STRATY.COM 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**.

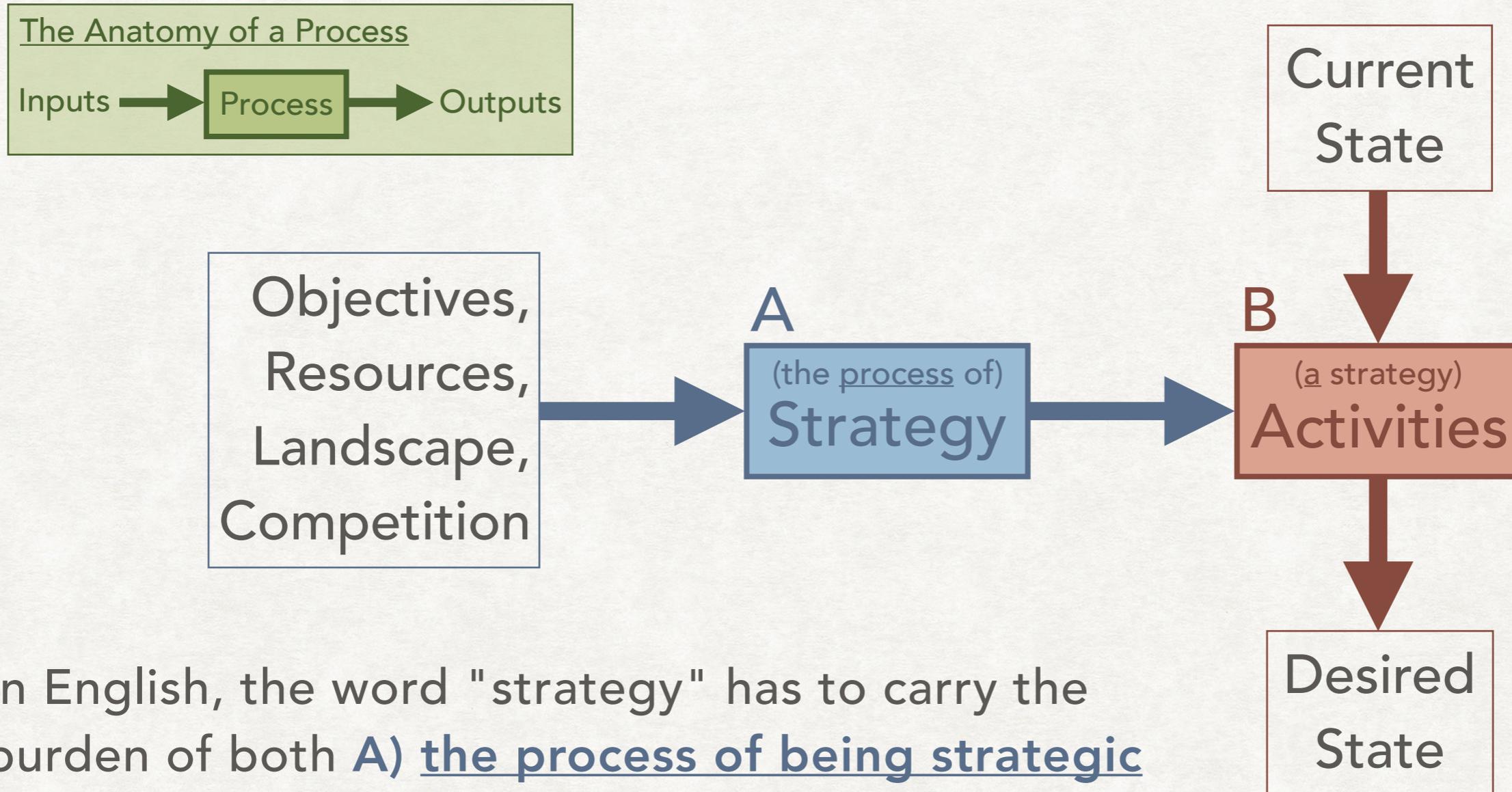
THE 2 MEANINGS OF "STRATEGY"

"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."

"STRATEGY" IS BOTH A PROCESS & AN OUTPUT

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



In English, the word "strategy" has to carry the burden of both **A) the process of being strategic** and of **B) a specific set of activities**, which takes

the decision maker from their current state to the desired state.

The distinction is between a countable vs uncountable (or mass) noun.

**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)

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

INTRODUCTIONS

WHO ARE YOU?

- Name
- Hometown
- Most recent / current company & industry
- What do you want to do after your MBA?
- Why are you taking this class?

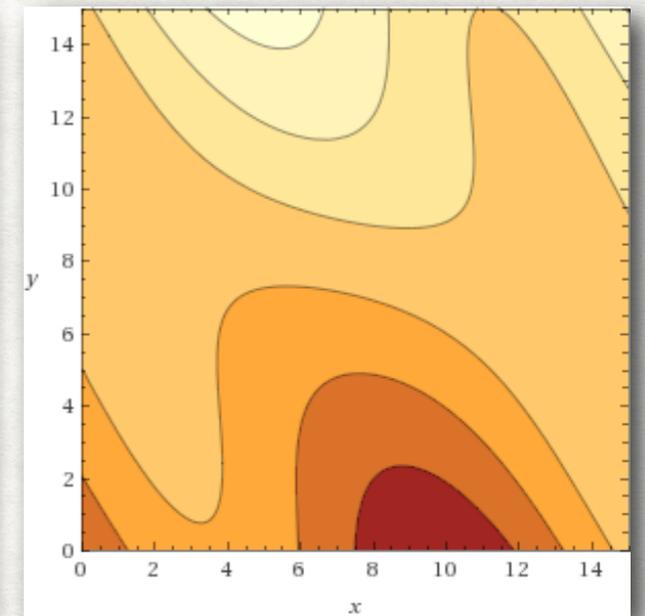
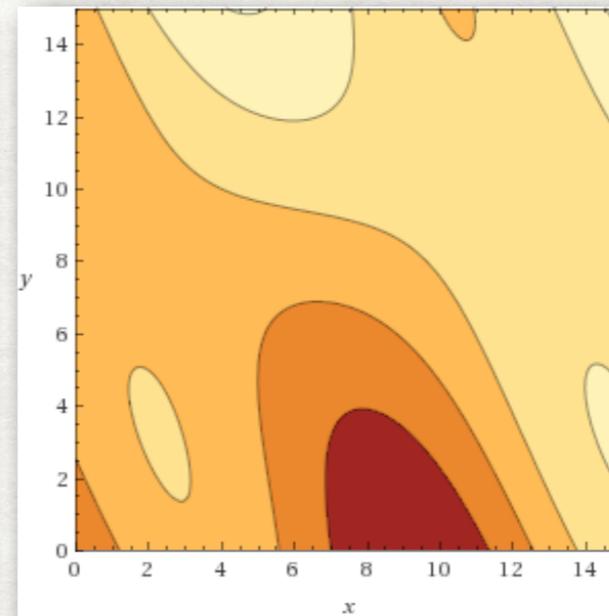
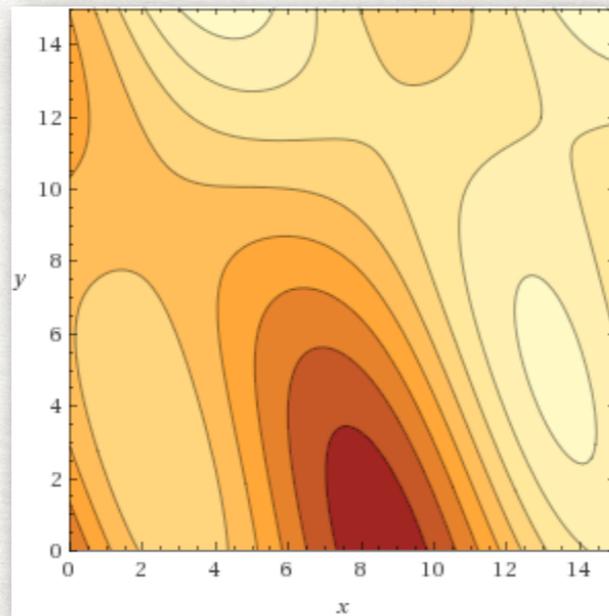
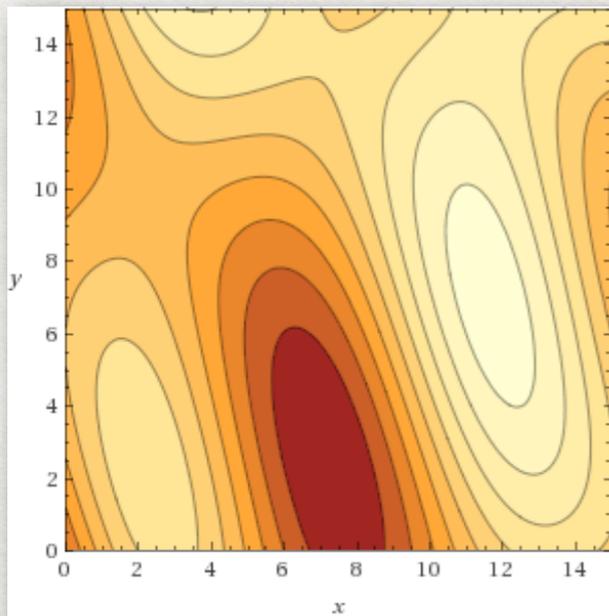
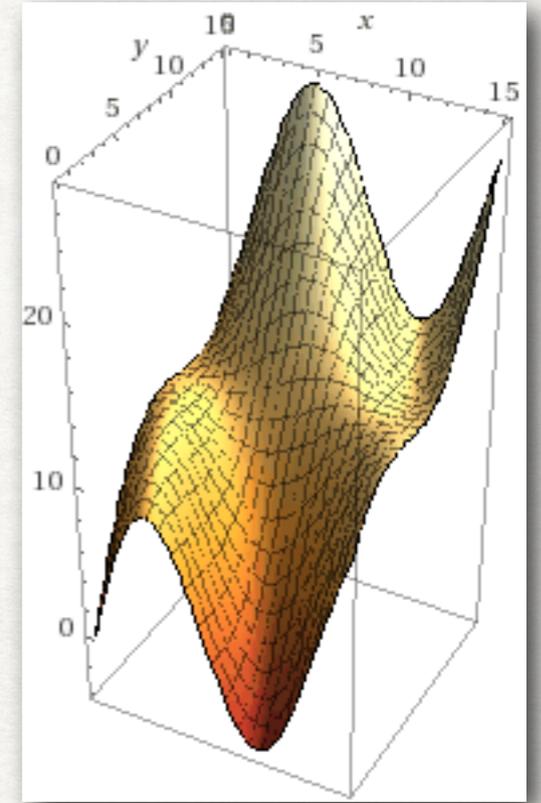
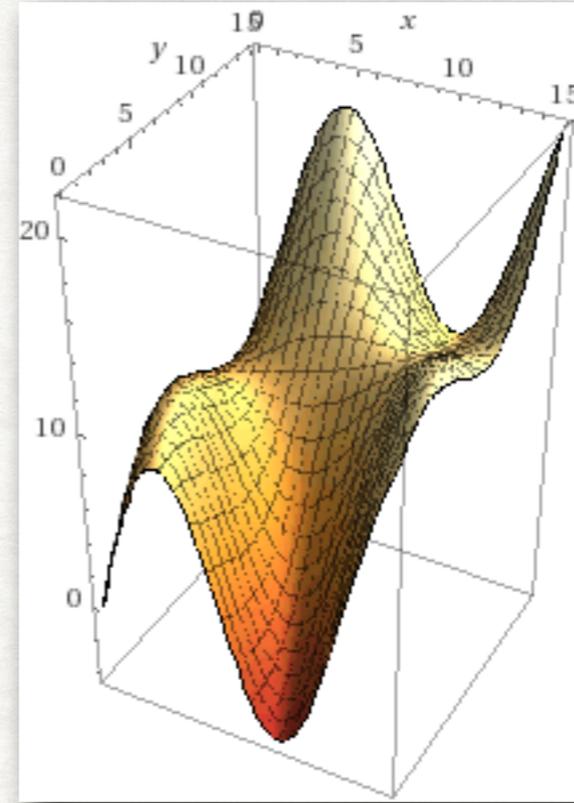
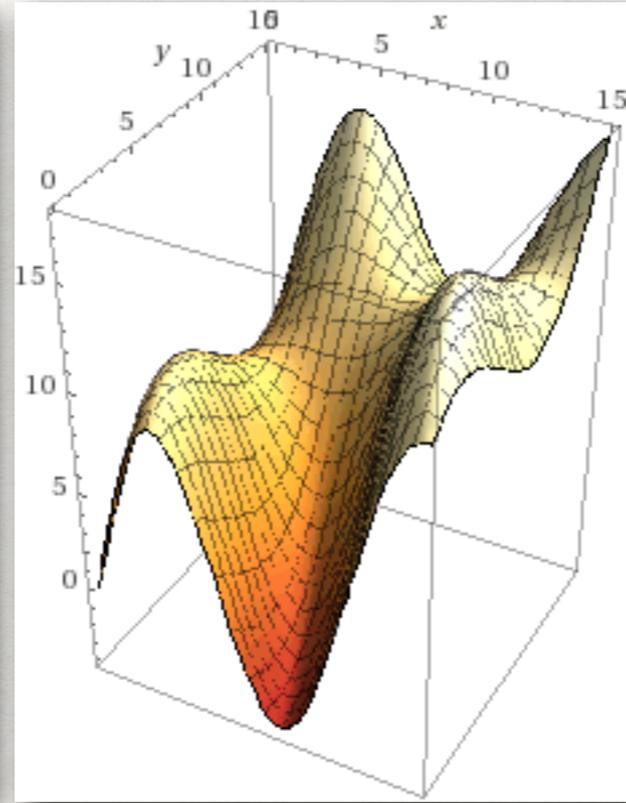
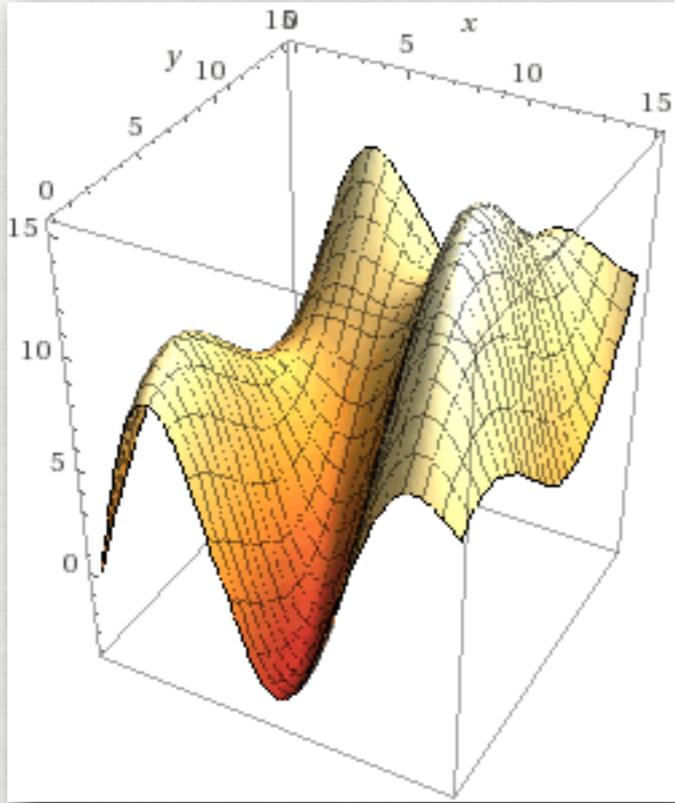
SIMULATION

FIDGET SPINNER SIMULATION

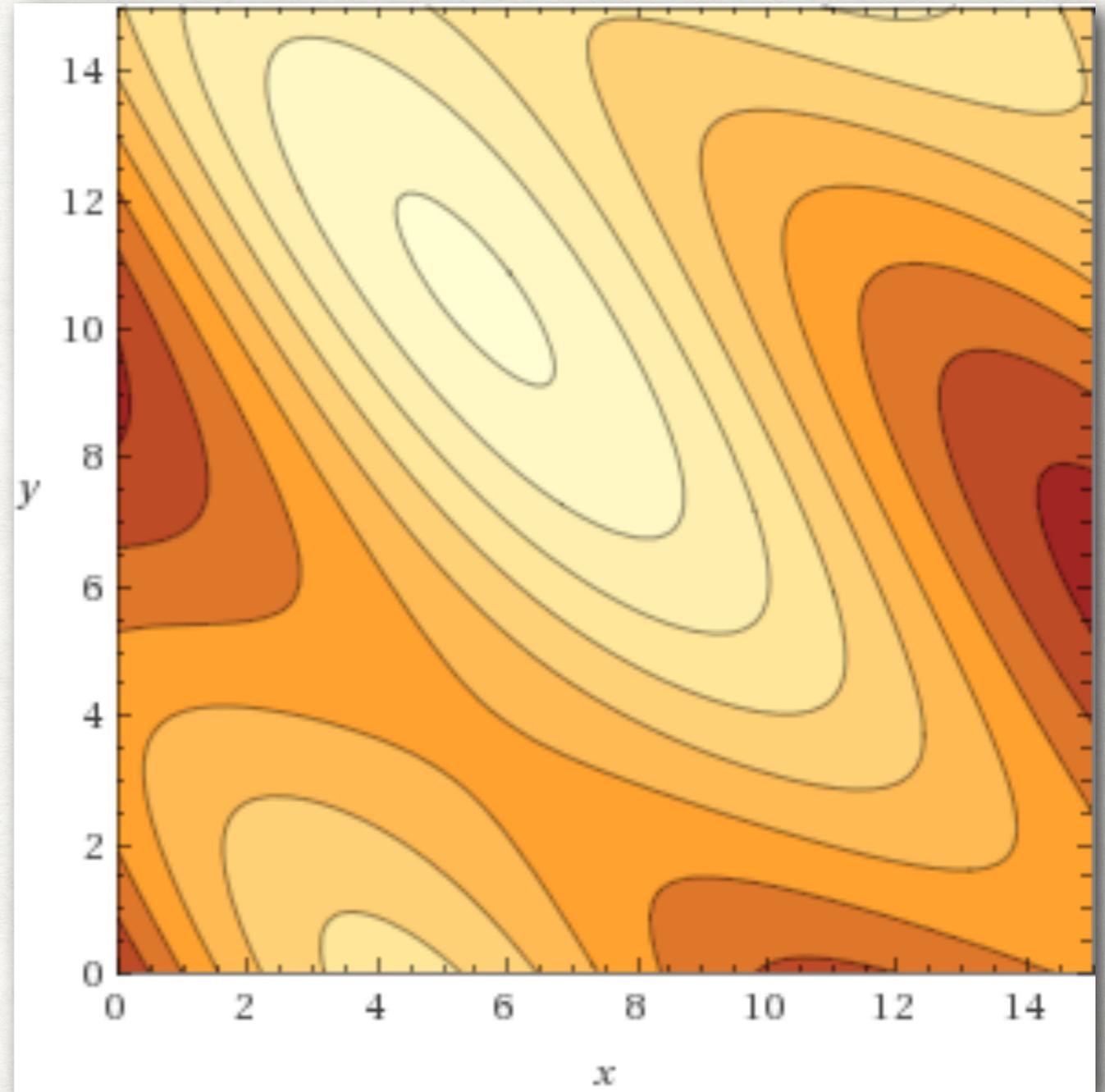
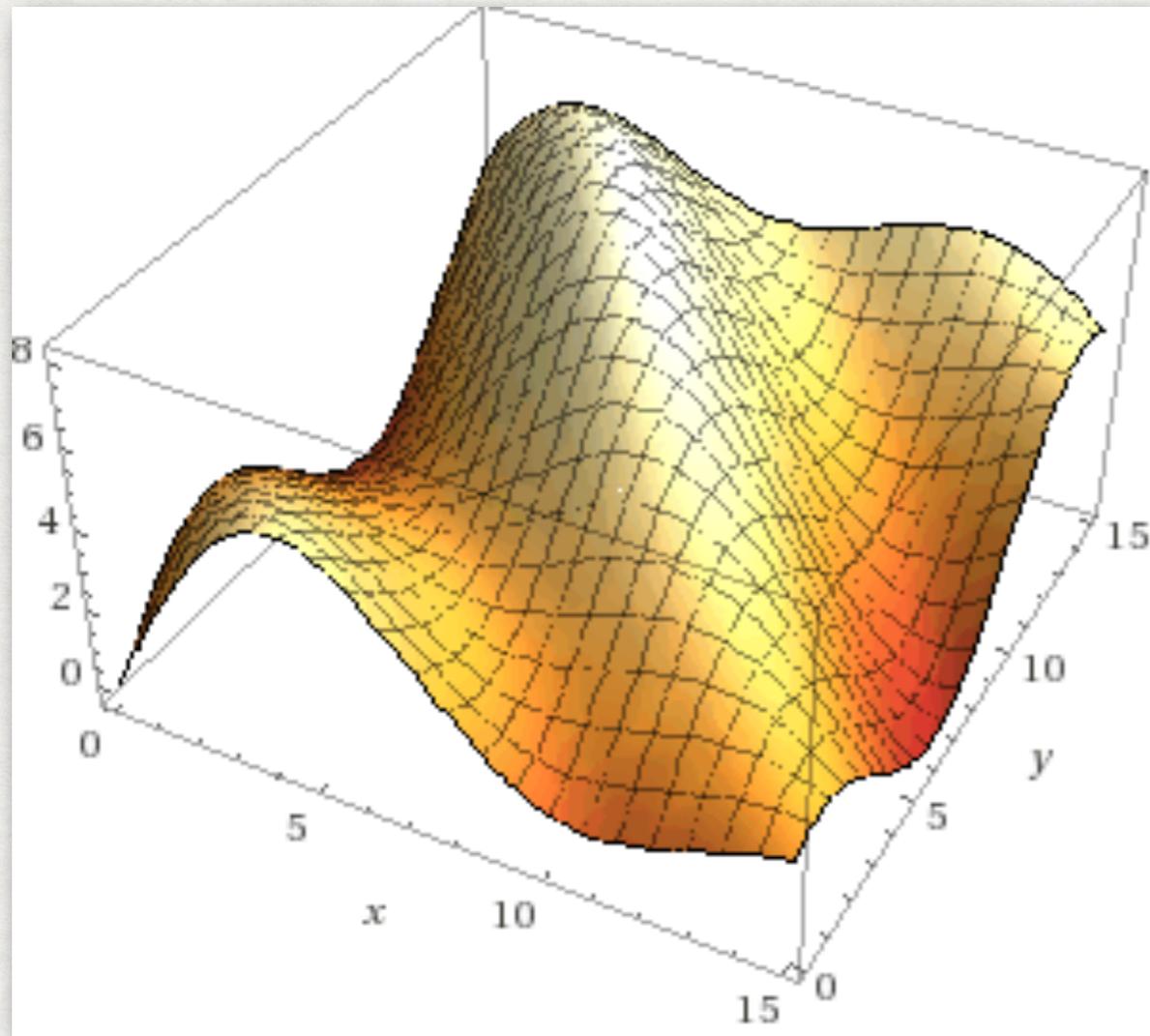
YOUR COMPANY SELLS FIDGET SPINNERS

- 5 teams, 4 rounds
- Each team will make 4 decisions during every round:
 - **Feature X (0-15)**
 - **Feature Y (0-15)**
 - Investment in **Cost Reduction**
 - Investment in **Marketing**
- Features don't cost anything. Investments do. You have 10 credits per round to invest in either Cost Reduction or Marketing.
- Winner = team with highest Sales Score at the end
- There may be other, undisclosed, rules.
- What's your strategy?
- What are your questions?

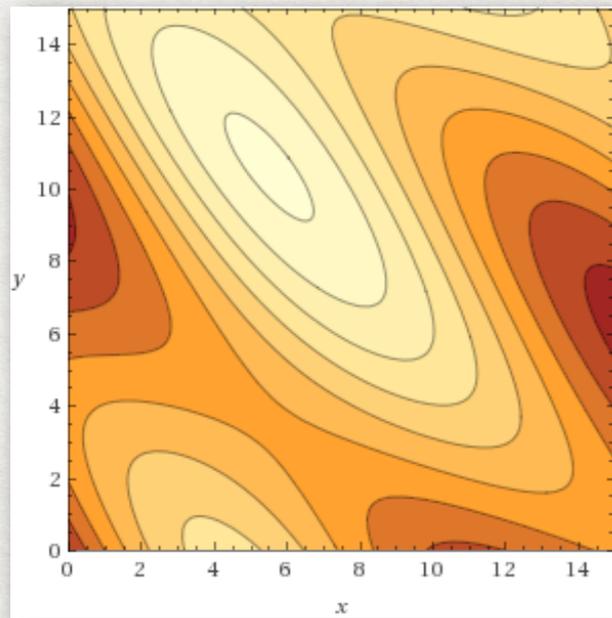
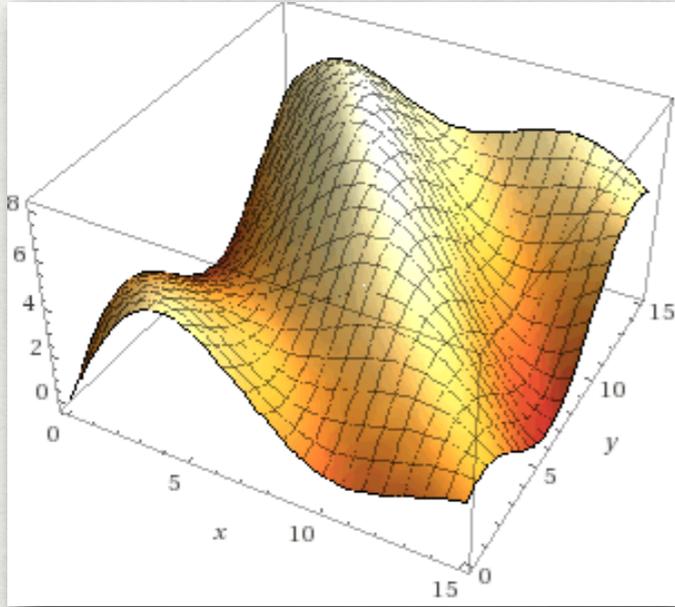
EXAMPLE ROUNDS



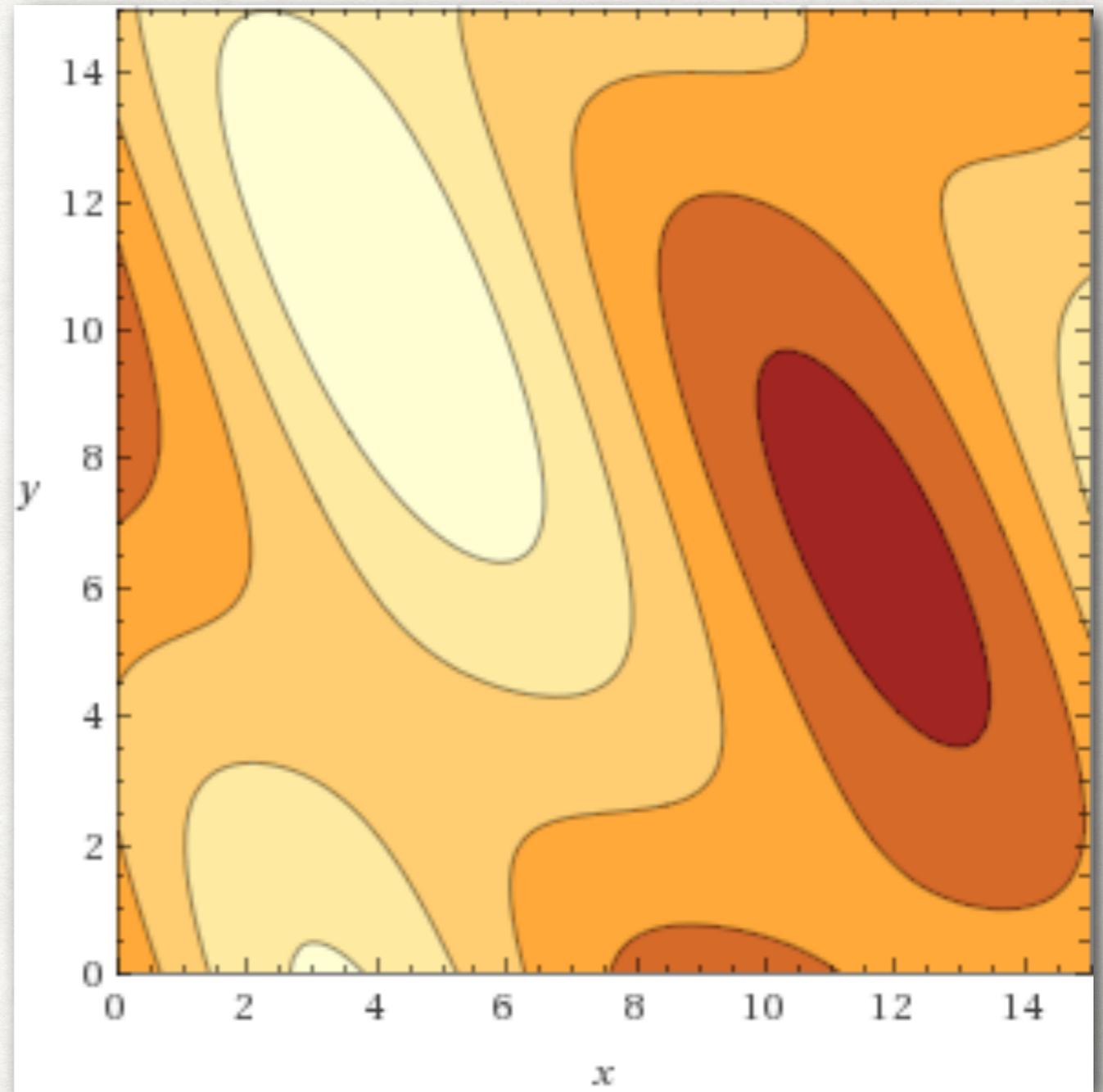
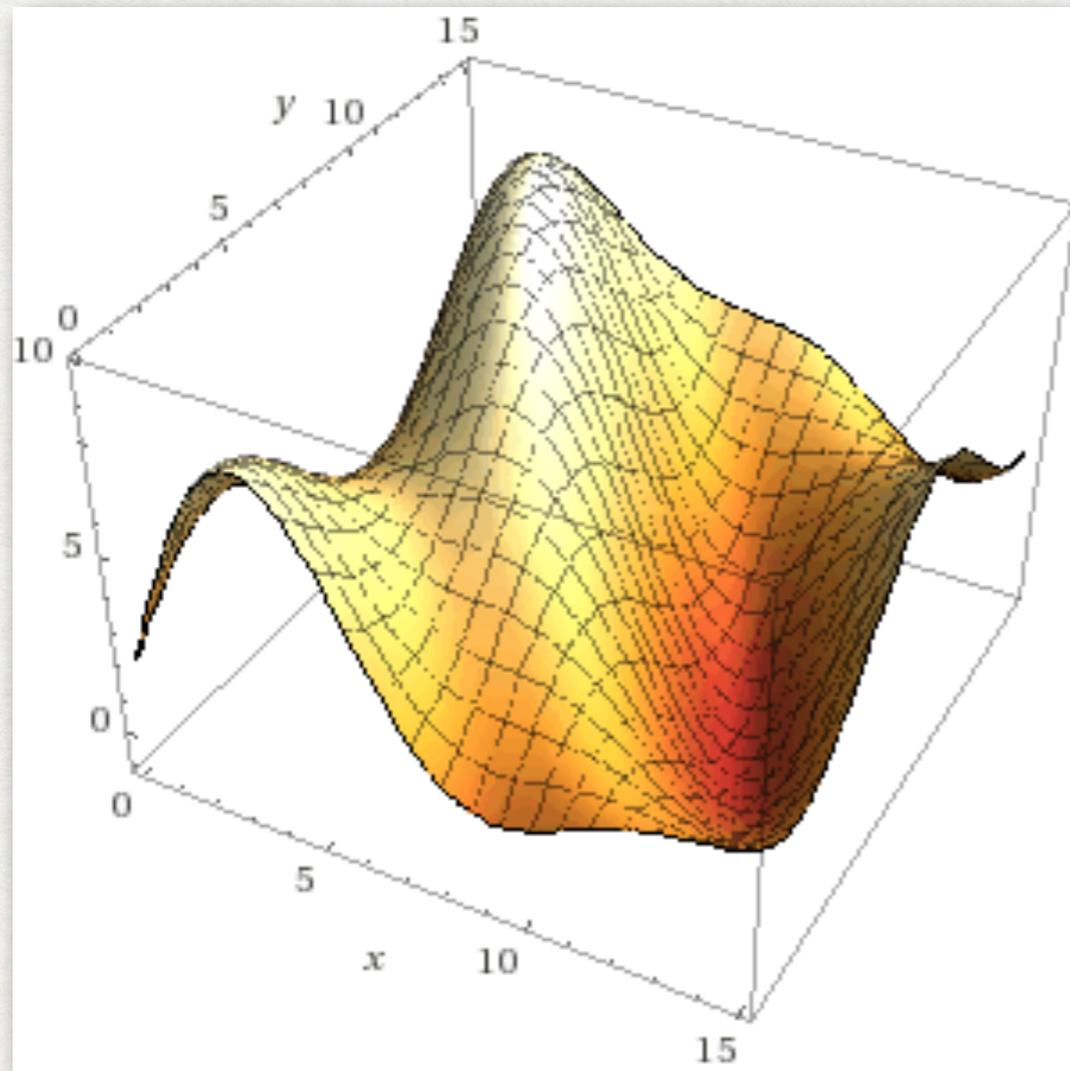
ROUND 1 RESULTS



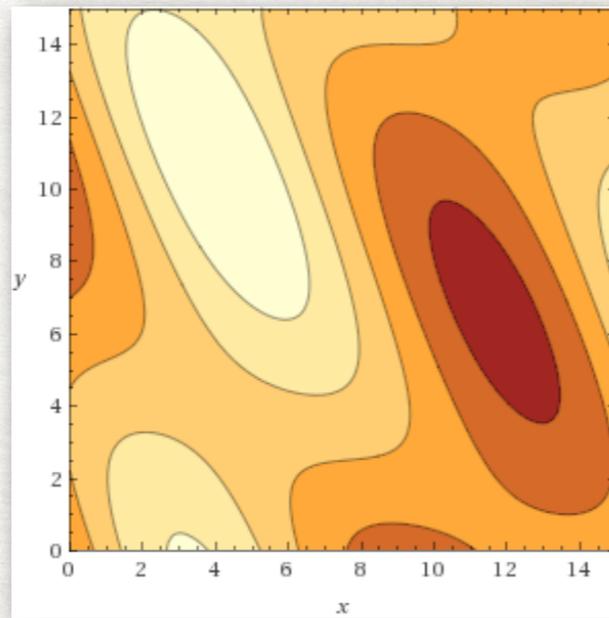
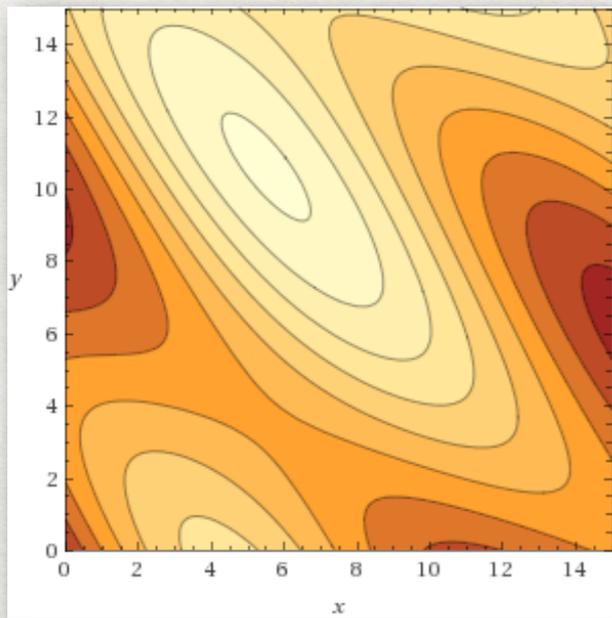
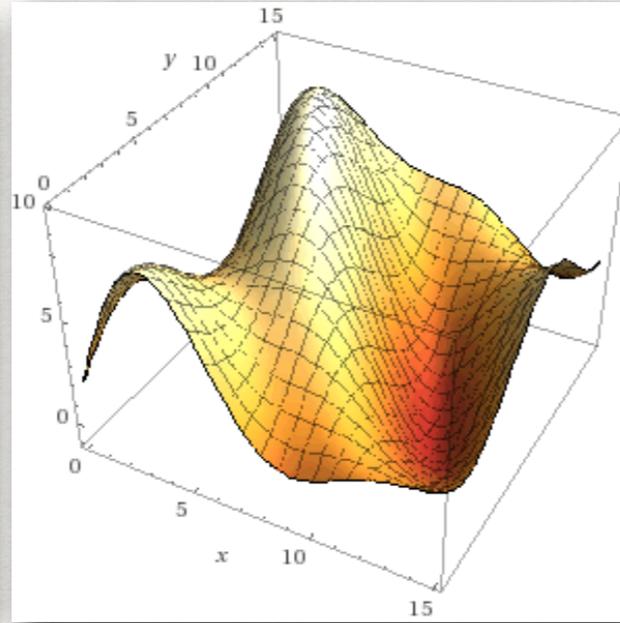
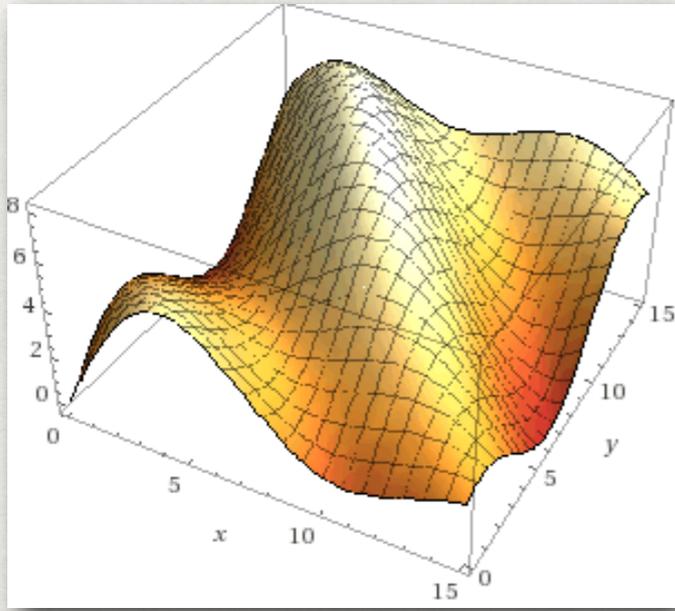
RESULTS TO ROUND 1



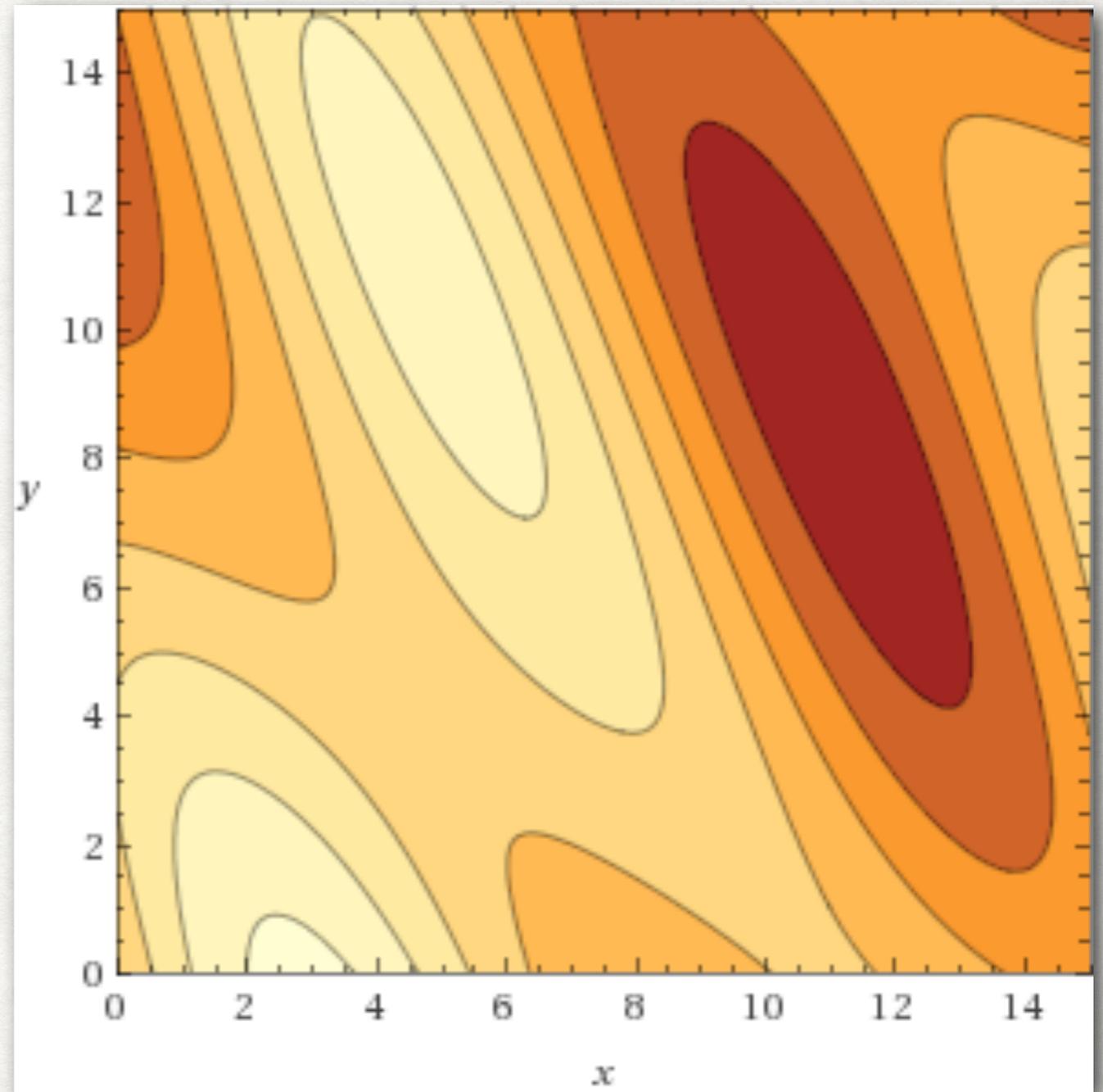
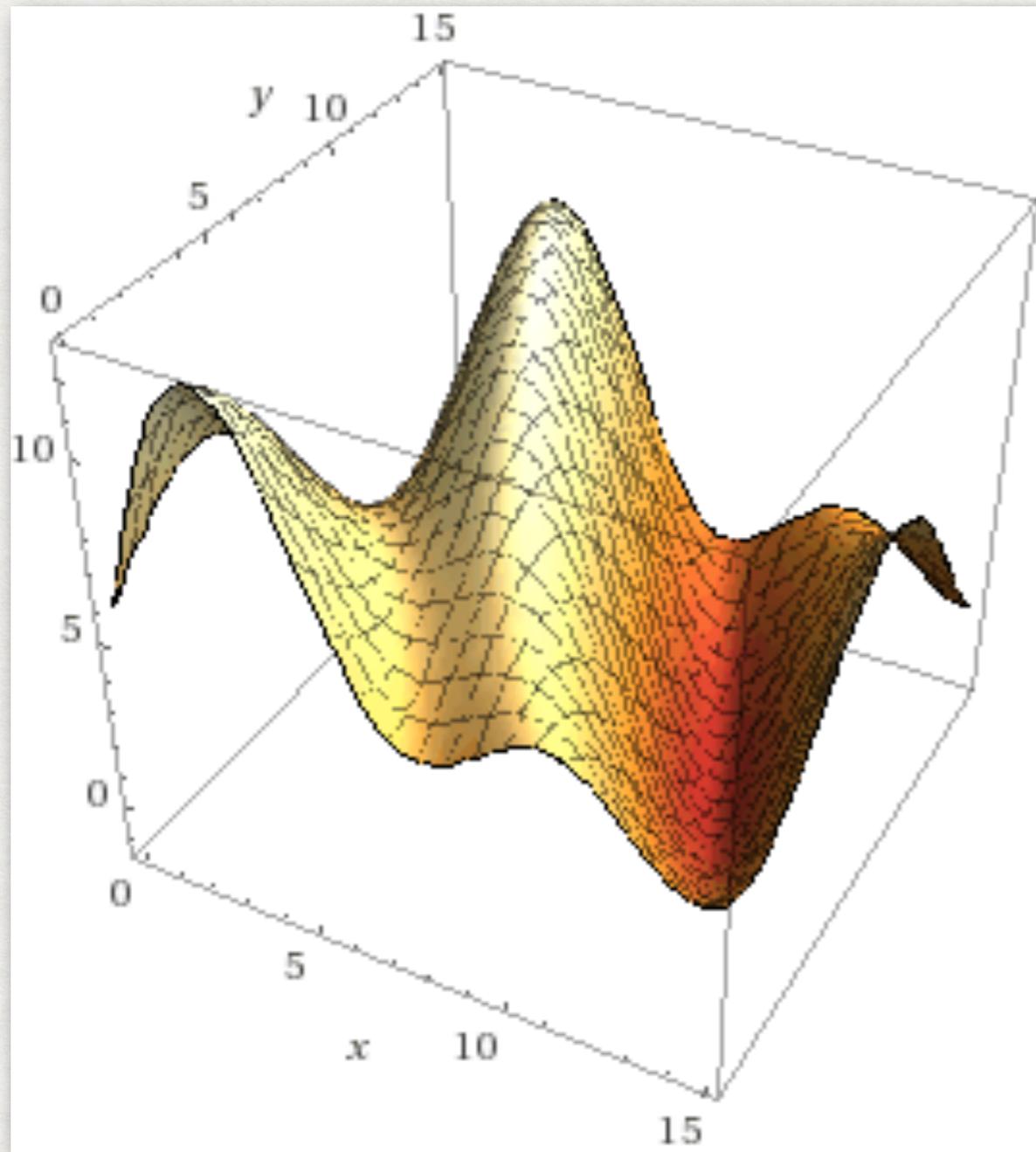
ROUND 2 RESULTS



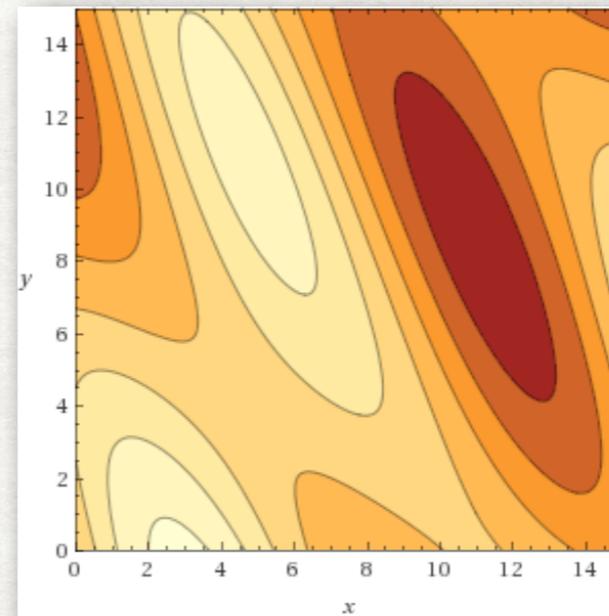
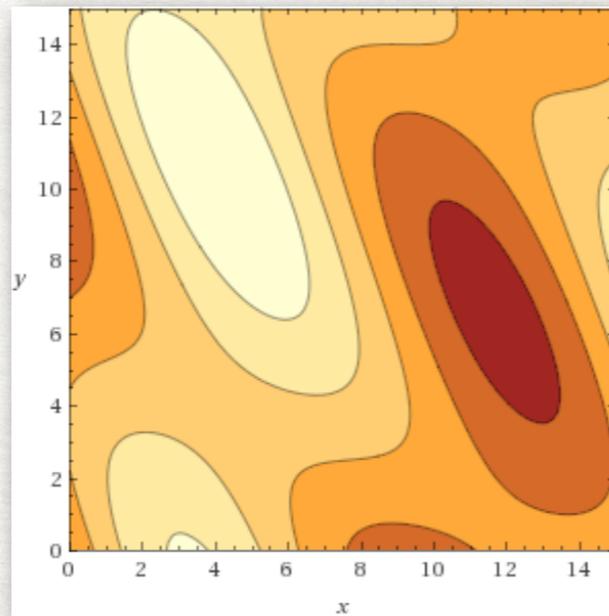
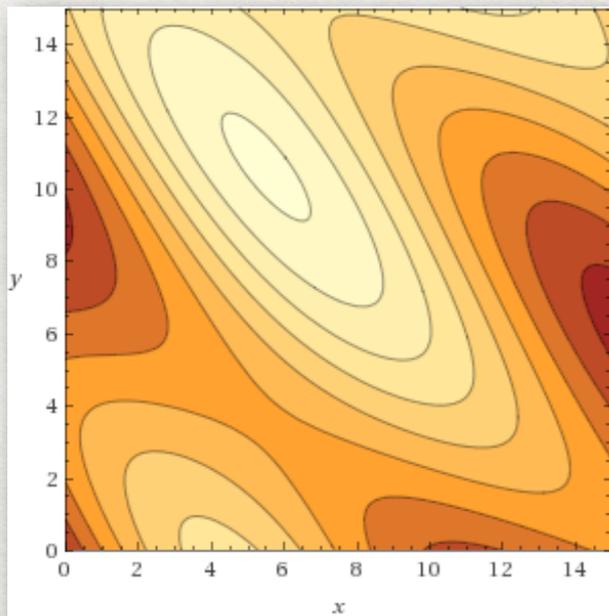
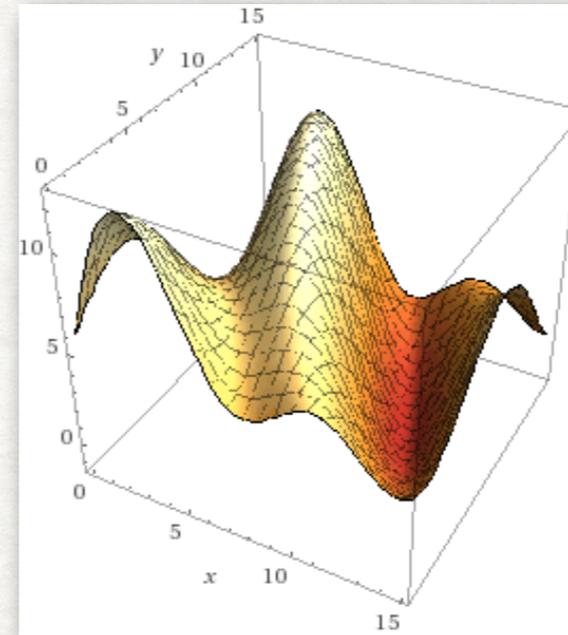
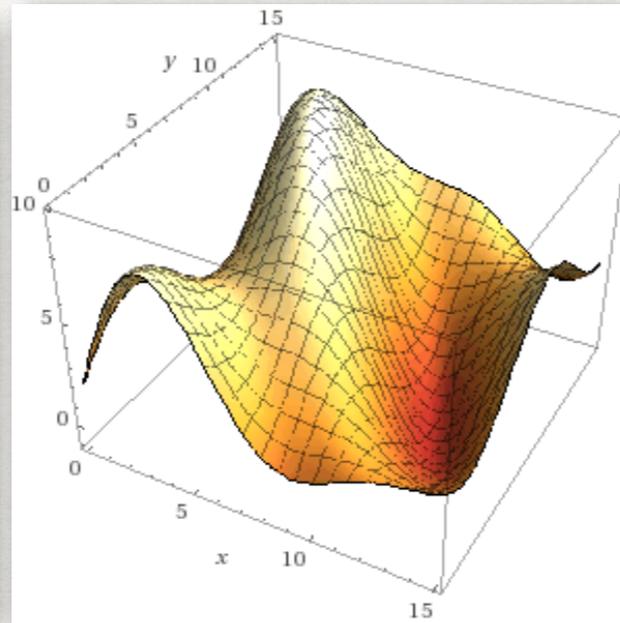
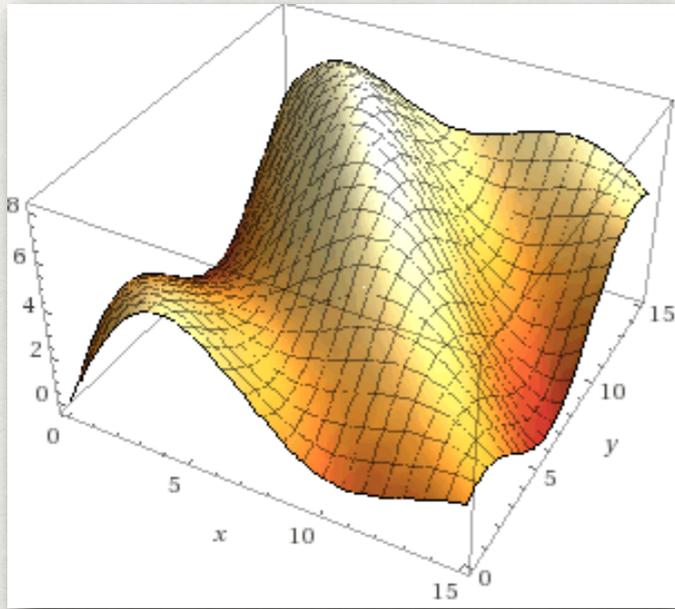
RESULTS TO ROUND 2



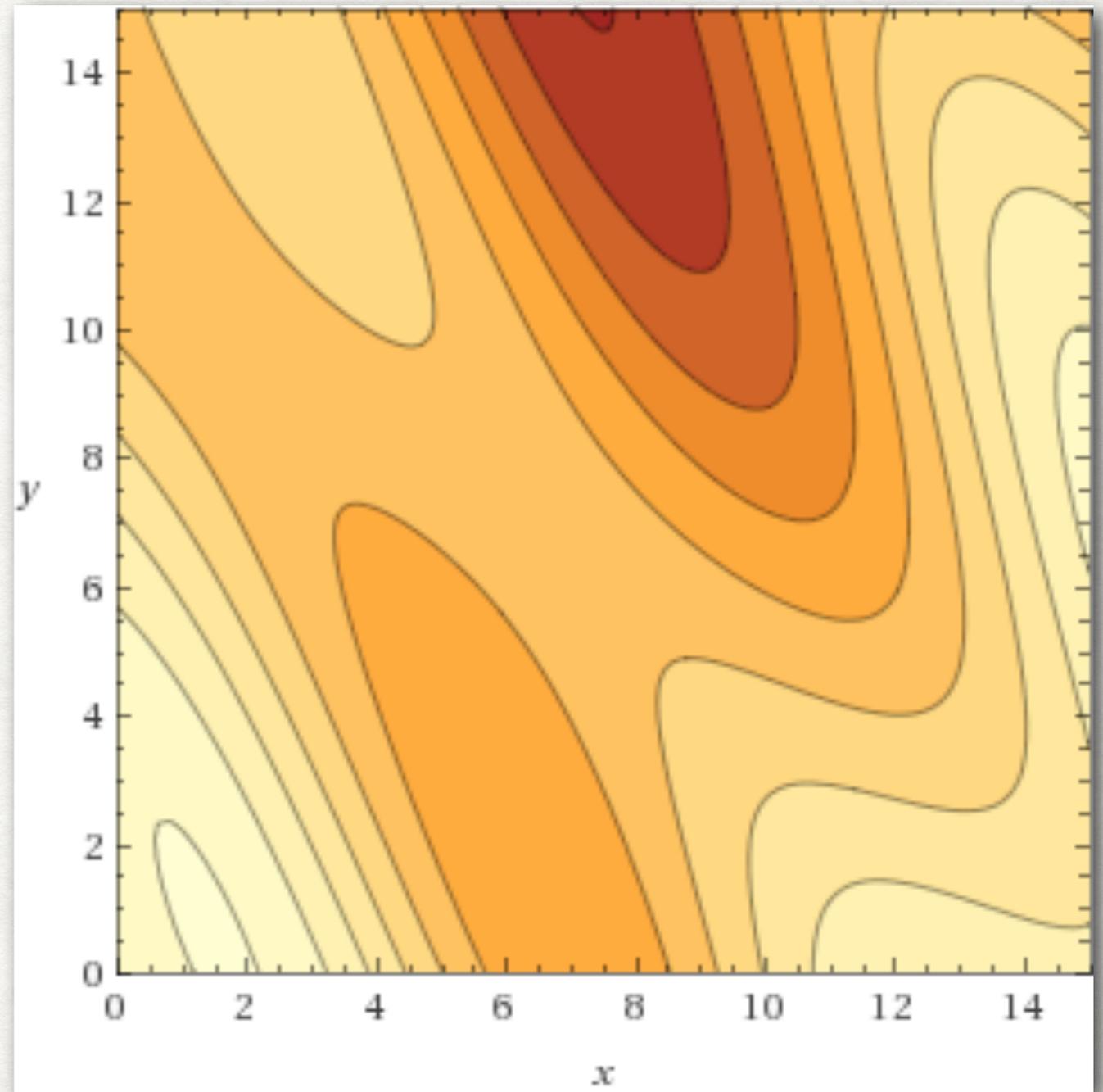
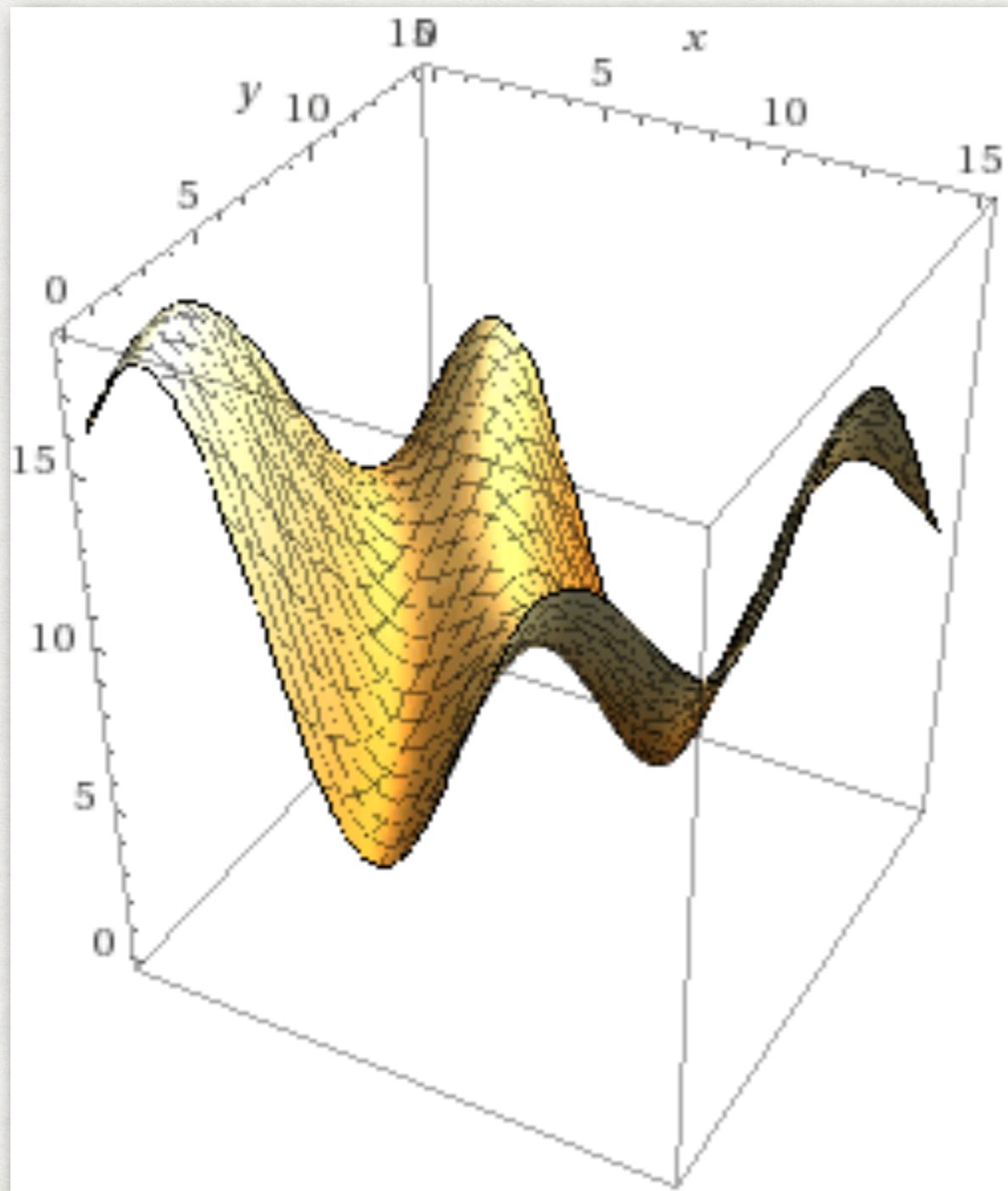
ROUND 3 RESULTS



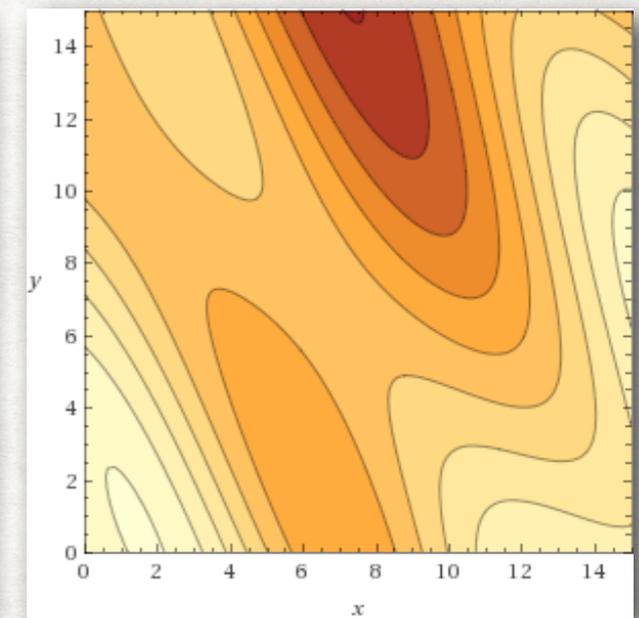
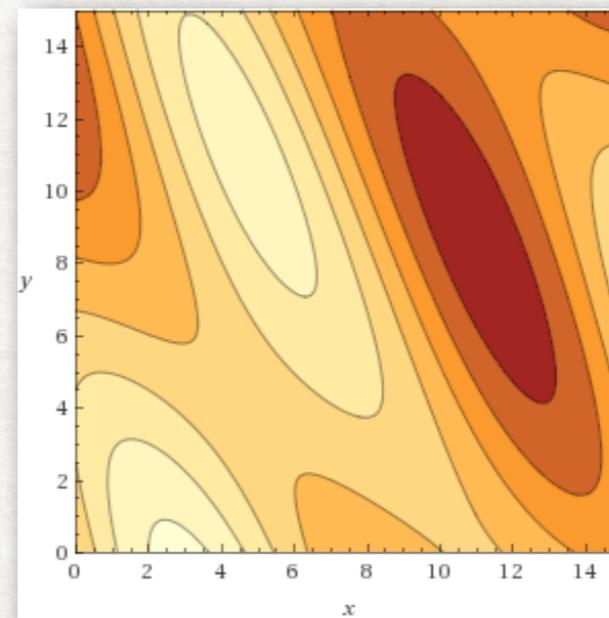
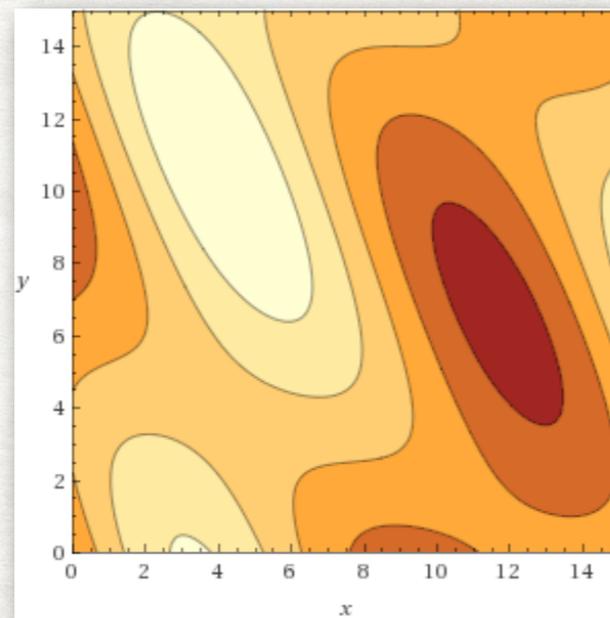
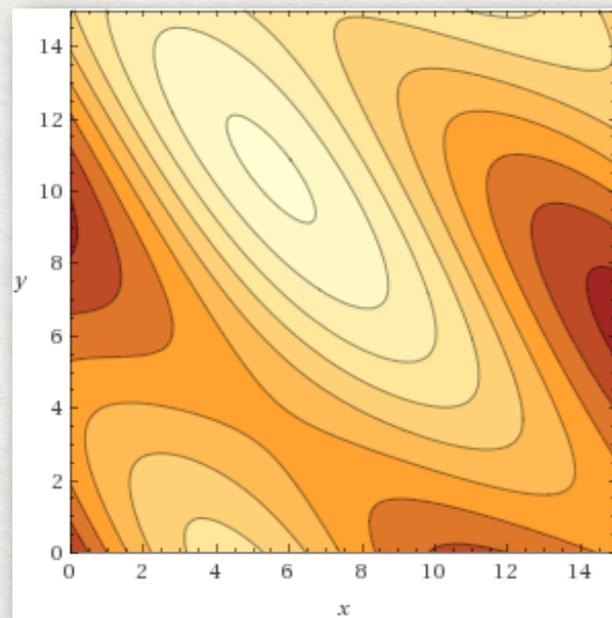
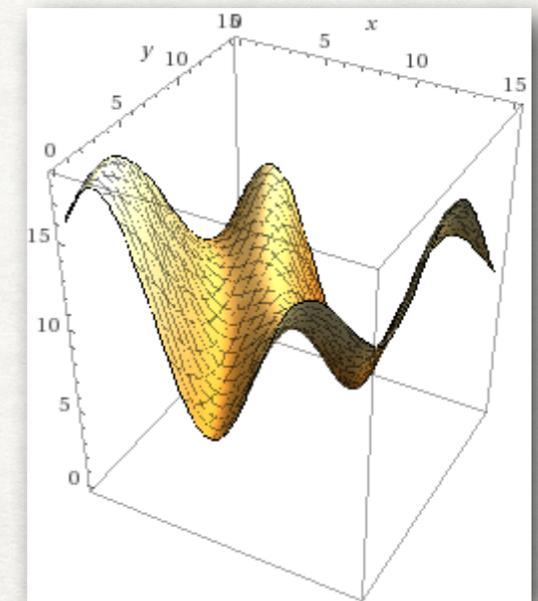
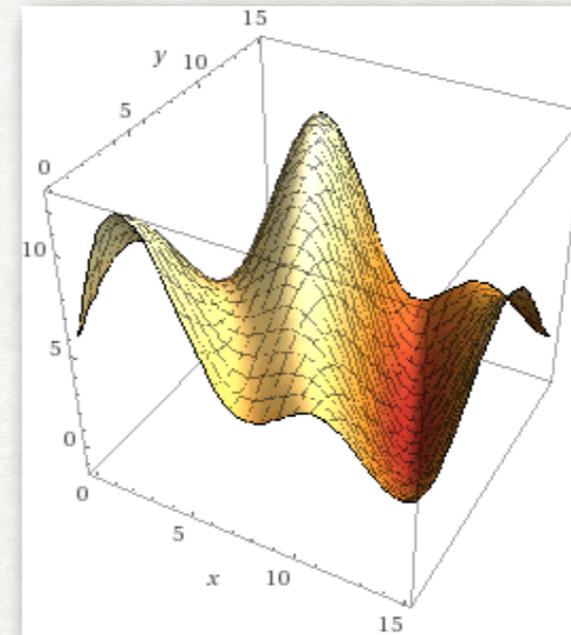
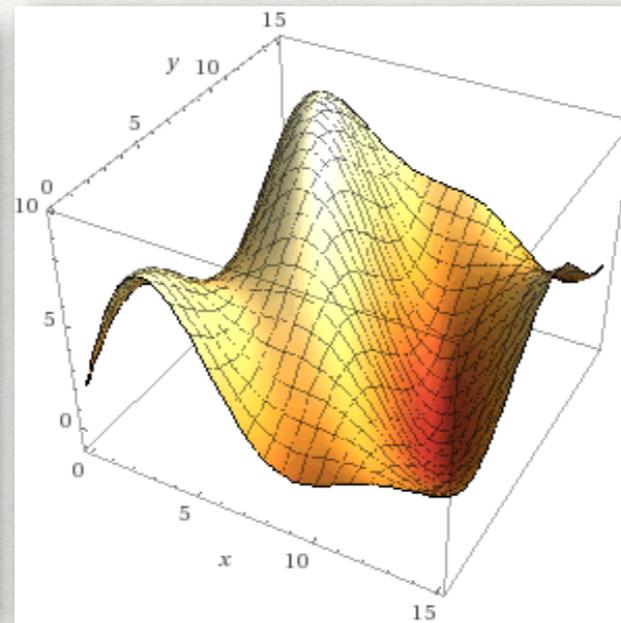
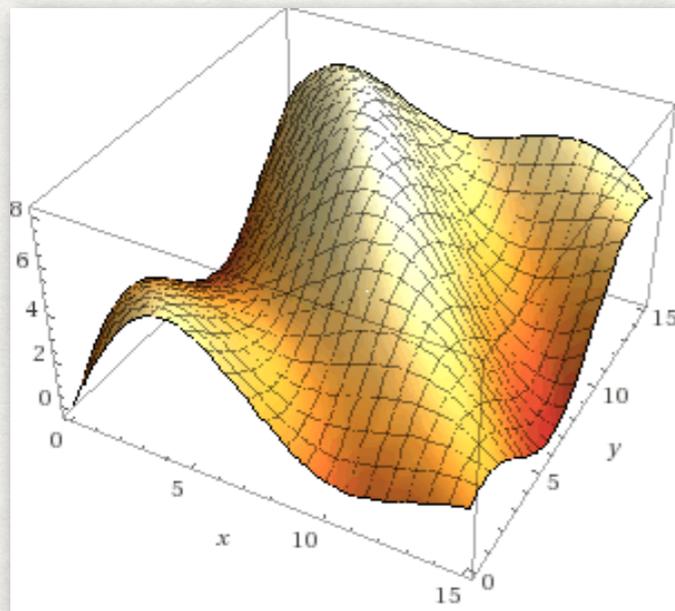
RESULTS TO ROUND 3



ROUND 4 RESULTS



RESULTS - ALL ROUNDS



SIMULATION DEBRIEF

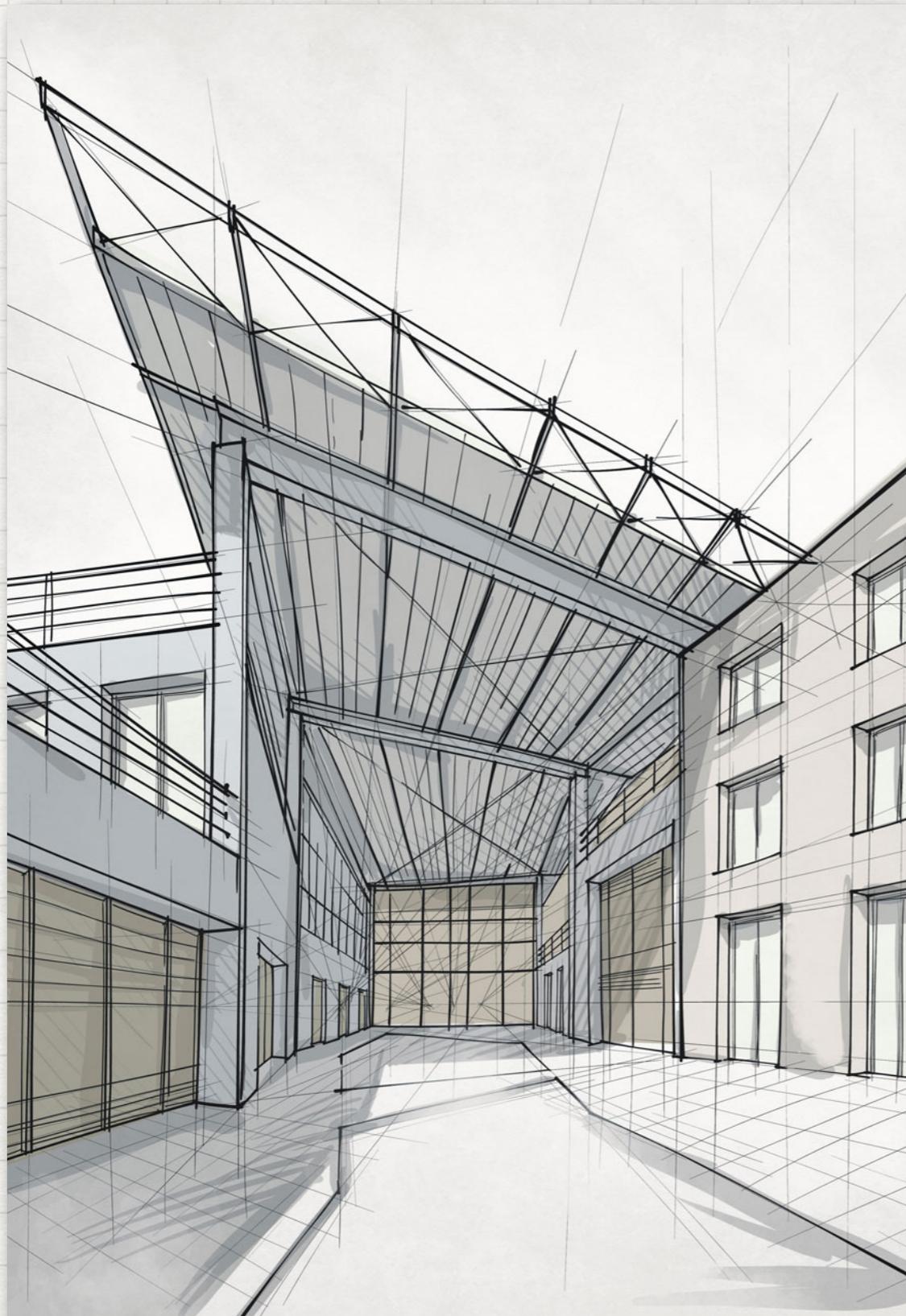
- What were all of the inputs to the process? Outputs?
- What was your strategy? Did you stick with it?
- Why do you think your team won? lost?
- How would you play differently if you were to play again?
- What are the flaws or limitations in the simulation? What changes would make it more realistic?

HOW TO FORM A STRATEGY?

WHAT DO WE NEED TO CONSIDER?

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

HOW TO APPLY TO SIMULATION?

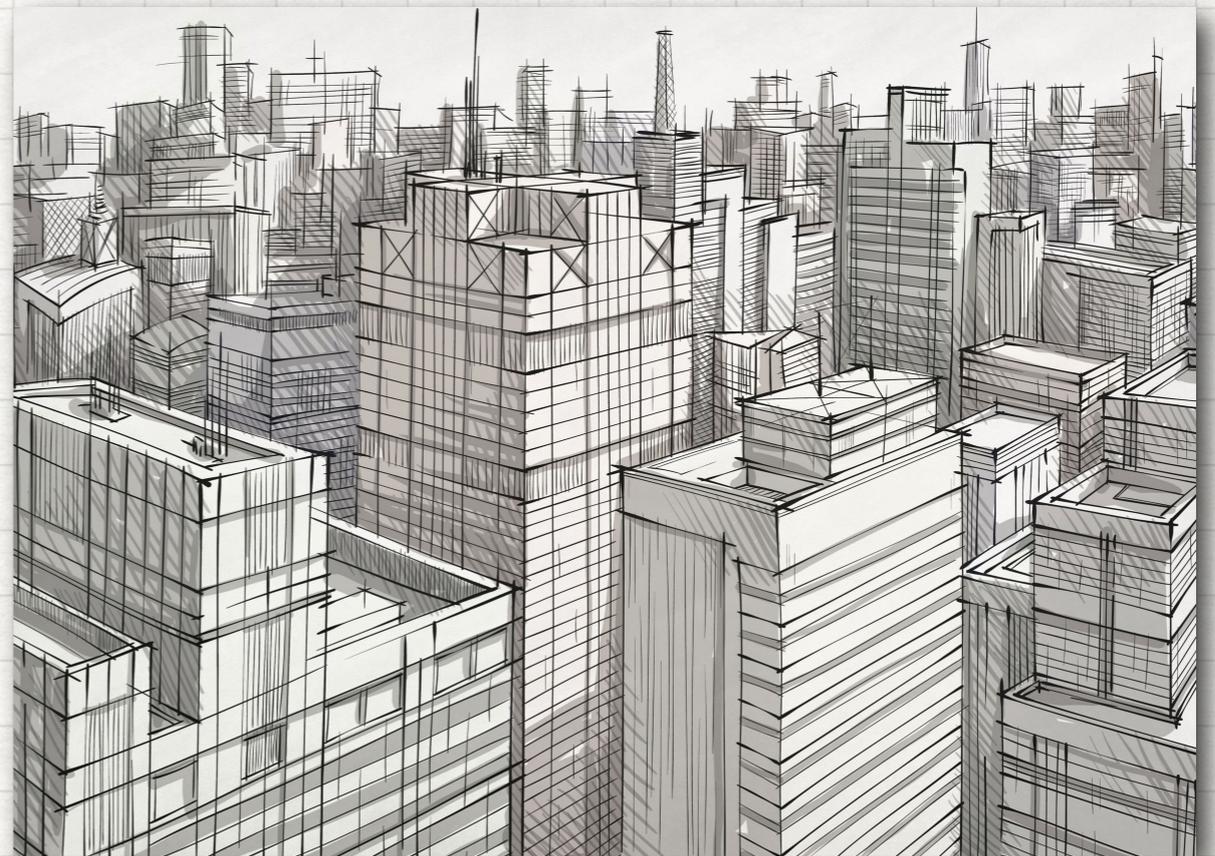
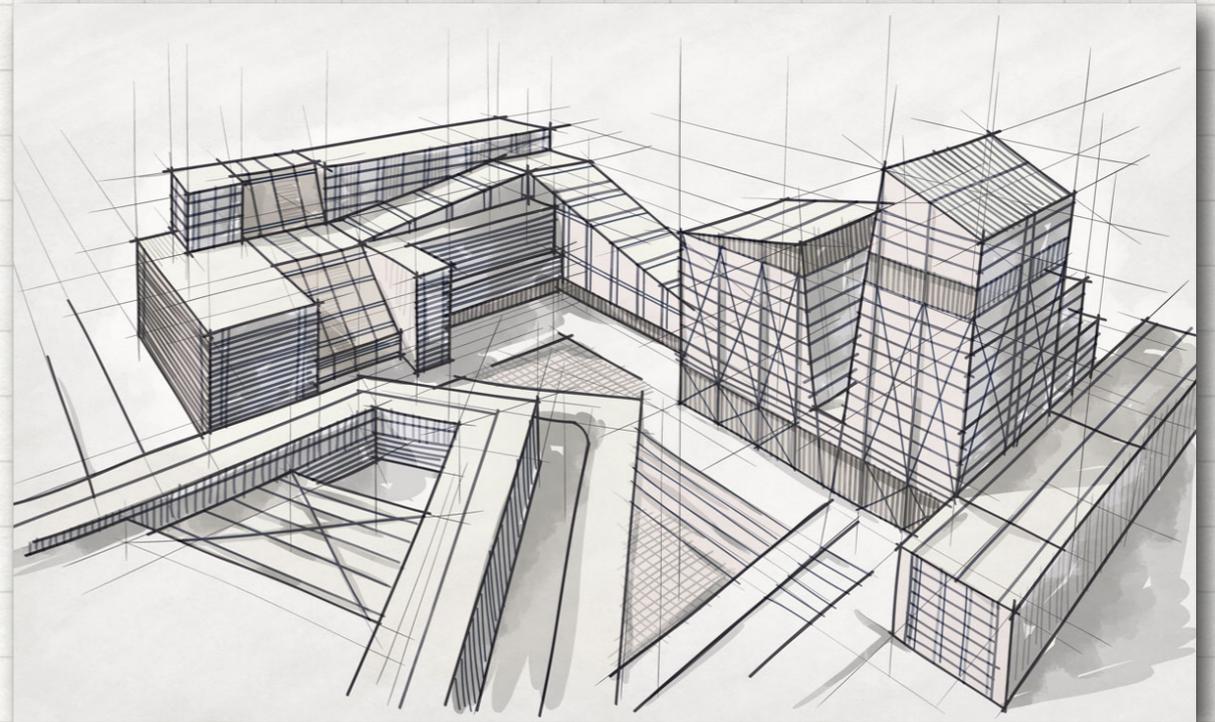


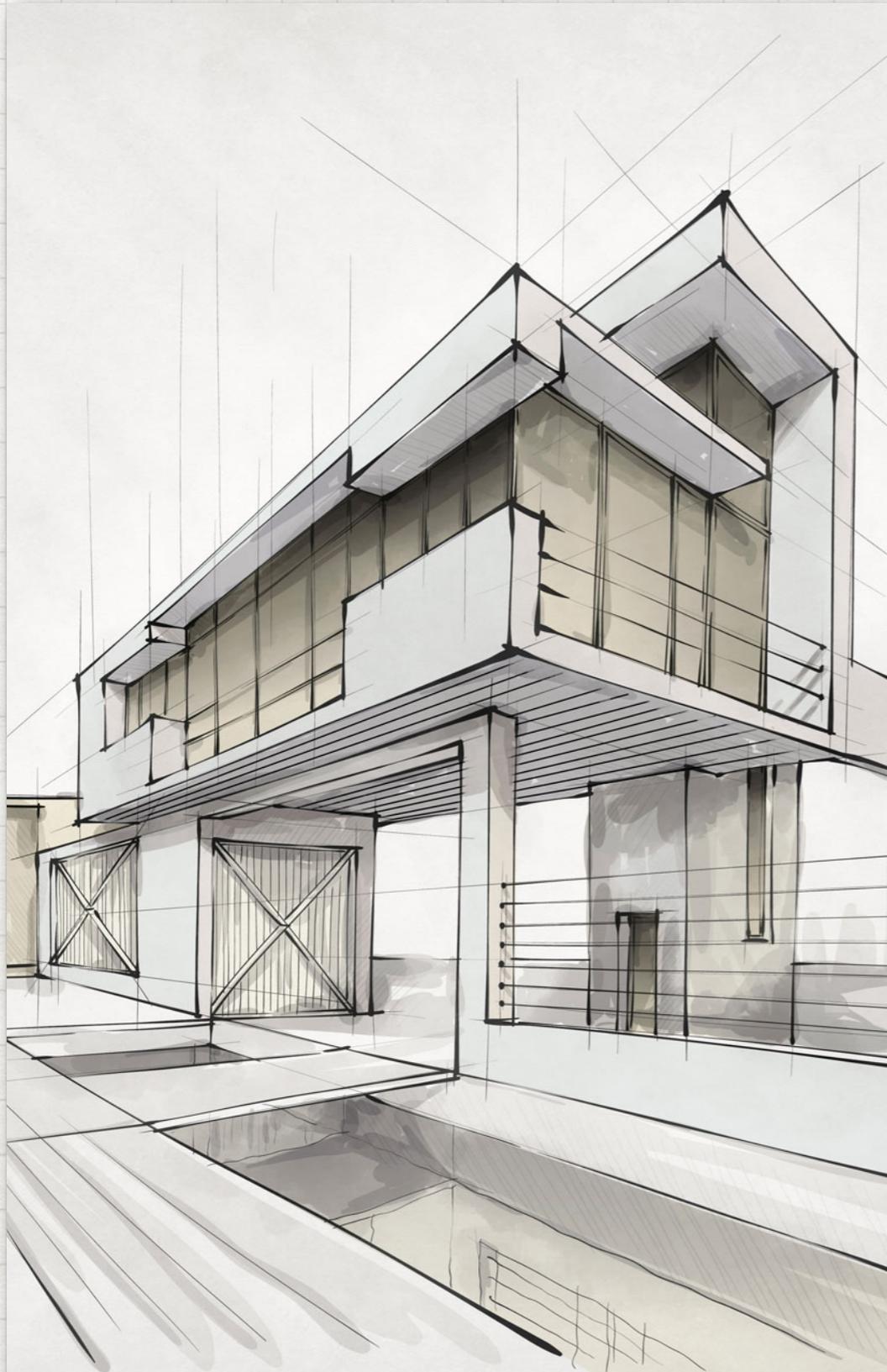
VALUES & OBJECTIVES

- 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

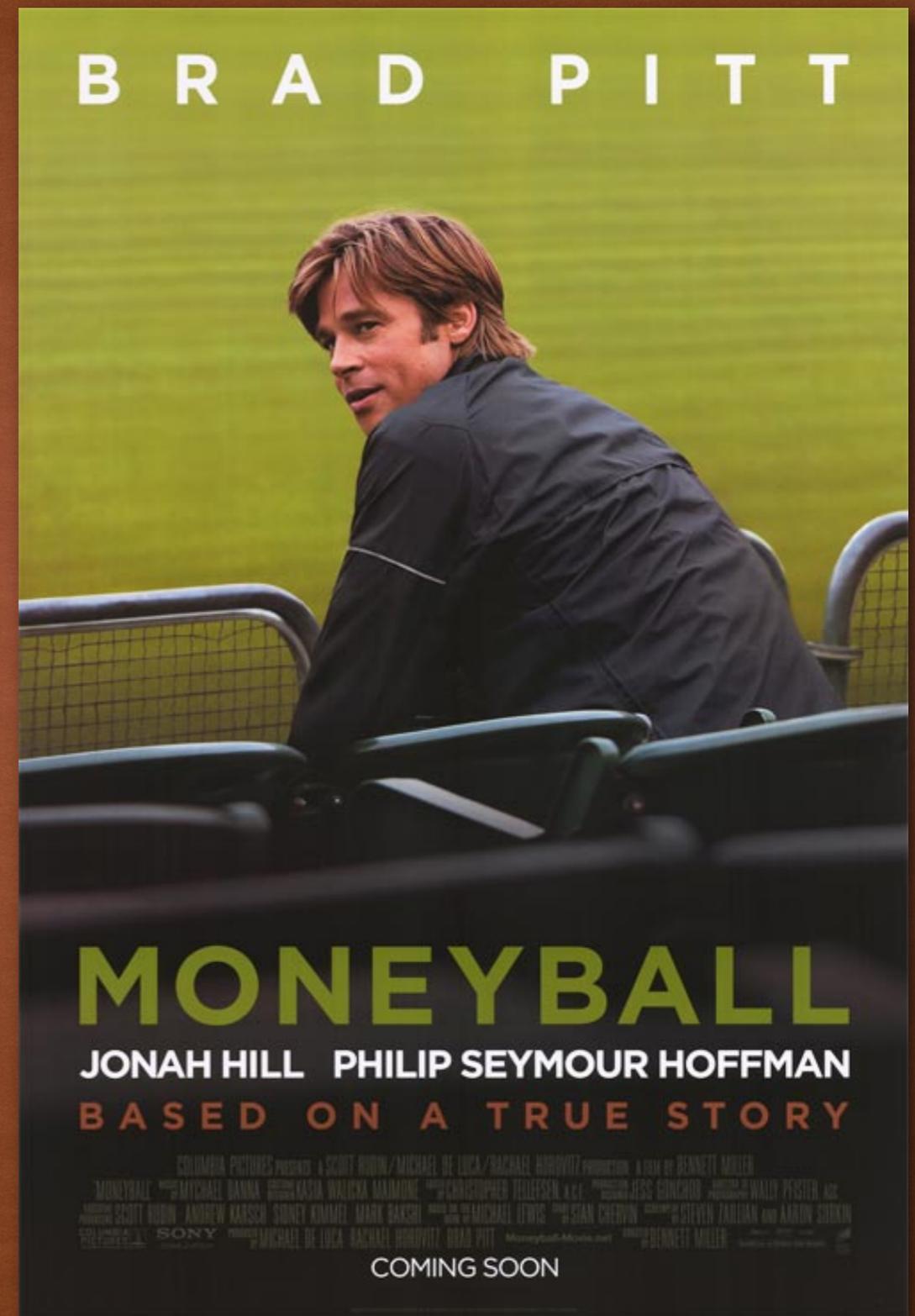
- What does the landscape look like?
Terrain?
- What are the valuable positions?
Why?
- What are the relevant variables of a position? Irrelevant?
- Who are the players involved?
Competition? Allies? Why?
- What does each player care about?
Motivation?
- What rules govern the competition?
- What are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

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?

2002 OAKLAND A'S

- Values & Objectives
- Resources
- Competitive Landscape:
 - Natural Terrain
 - Competition
 - Rules & Regulations
- Potential Activities
- <https://www.youtube.com/watch?v=-4QPVo0U1zc>



WHAT'S UNIQUE TO ENTREPRENEURSHIP?

ENTREPRENEURIAL STRATEGY

- Be process oriented
- Have a clear vision / goal
- Focus on alignment (at each & every level)
- Understand the landscape and competition well
- Avoid competition whenever possible (esp. if start-up)
 - Avoid being "the X for Y" w/o good reason
- Reduce the 3 big risks:
 - Technical / Product risk
 - Market risk
 - Team risk



THANK YOU

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STRATY.COM