

# strategy means sacrifice

what are you willing to give up?

by dr james mills

## Right thinking

Resourcing constraints and the need to make strategic trade-offs limit what an organisation can do. The heart of strategy is selecting from among the vast number of possible activities an organisation could pursue, a select few which strongly reinforce one another. This requires leaders to define not just what their organisation will do, but also what it won't do, to ensure sharp focus on the things that matter.

Strategy is often reputed to require an uncommon skillset, distinct from the considerations of everyday life and demanding exceptional mental acuity. Traditionally it has been the preserve of generals with decades of military experience; political leaders supported by teams of analysts and advisors; and the brightest business minds, selected for their perceptivity and sound judgement.

It is true that, given the great many factors that must be weighed when setting an organisation's strategy, such as emerging industry trends, new regulatory developments, evolving customer and employee preferences, changing competitive forces and shifting political influences, determining the best course of action for any organisation is a significant challenge. However, strategic decision

making is in fact more commonplace than is often recognised.

A strategy is simply a course of action intended to achieve a desired outcome. As individuals, we make strategic decisions all the time. For example, when deciding whether to pursue a full time qualification or enter the workforce, when choosing a job that offers greater development opportunities over one that offers a higher salary or when deciding whether to rent or buy property.

What makes these decisions *strategic* is that they all involve an element of sacrifice. Pursuing the qualification means sacrificing industry experience, accepting the better development opportunity means sacrificing the higher salary and investing in property means sacrificing financial liquidity.

## Distinctive leaders find their niche

In general, executives are highly practiced at making strategic decisions at the personal level. In advancing to the C-suite most executives make myriad sacrifices, such as declining lucrative job offers that were not aligned with their career objectives, forgoing interesting development opportunities to focus on core development goals and often working longer and harder than their peers to deliver exceptional results.

As competition for advancement intensifies with greater seniority, it becomes increasingly difficult for individuals to excel on multiple fronts simultaneously. Recognising this, many personal development experts encourage aspiring leaders to build their own 'personal brand', becoming distinctive within a particular domain (Ashkenas 2010, Corkindale 2008).

By focussing their personal development energy on areas of natural ability, aspiring leaders can develop exceptional competency in a specific areas of expertise (Drucker 2005, Saunders 2013). In doing so, these leaders of tomorrow are adopting a differentiation strategy hoping to outshine their peers.

## Distinctive organisations make sacrifices

Despite this proven ability to make strategic sacrifices at the personal level, we often find that executive teams struggle to make sacrifices at the organisational level. It is possible that this incongruity arises because when selecting the activities they will, or will not, personally be involved in, individuals can take comfort in knowing that capable colleagues will step in and take these on.

Nevertheless, just as successful individuals must often forgo tempting opportunities if they wish to develop a reputation for being truly distinctive in a certain area, so too organisations must make sacrifices to achieve differentiation. It is not enough to simply say 'we want to deliver exceptional customer service'.

If this is truly what matters for your organisation, strong leaders must ask, 'what are we willing to give up to make this so?'



## What are you willing to give up?

As you work to develop or refine your organisation's strategy, we encourage you to consider, not only where your organisation will be distinctive, but also the areas in which it is acceptable to simply 'meet the market'. This is the core of strategy. Strong leadership means avoiding the temptation of proclaiming excellence on all fronts.

When working with new clients, we often see the aftermath of such 'strategies': resources get spread too thinly across dozens of strategic initiatives with predictably poor results. Ultimately, failing to embrace sacrifice as an essential element of your strategy, means sacrificing your strategy.

### References

- Ashkenas, R 2010, 'Define your personal brand with simple questions', *Harvard Business Review*, January
- Corkindale, G 2008, '11 ways to build your personal brand', *Harvard Business Review*, March
- Drucker, P 2005, 'Managing oneself', *Harvard Business Review*, January
- Porter, M 1996, 'What is strategy?', *Harvard Business Review*, November
- Saunders, E 2013, 'How to allocate your time, and your effort', *Harvard Business Review*, January

## Sacrifices protect your market position

In his seminal work 'What is strategy?', Michael Porter argues that 'trade-offs are essential to strategy. They create a need for choice and purposefully limit what a company offers' (Porter 1996). Just as individuals must make sacrifices in some areas to outshine their peers in others, to achieve a truly distinctive position, organisations must make sacrifices by leaning into trade-offs.

It is the sacrifices made when an organisation embraces trade-offs, that protect its market position from would be emulators. For example, a manufacturing company whose strategic focus is centred on customisation, may choose to structure its operations in a way that allows the customer to make choices on every design element. In doing so, the company likely sacrifices the custom of a price sensitive customer cohort to meet the needs of a segment for whom customisation is important. Because of this sacrifice, they have little to fear from a low-cost competitor who would be unable to deliver the same level of customisation without giving up its low-cost position.

**As you work to develop or refine your organisation's strategy, we encourage you to consider, not only where your organisation will be distinctive, but also the areas in which it is acceptable to simply 'meet the market'.**

© 2019 Right Lane Consulting

**want to know more?**

For more information contact Dr Marc Levy:  
marc@rightlane.com.au



## About Right Lane

**Right Lane is a flourishing, top quality, management consulting firm.**

We employ our distinctive ideas and processes, and our absolute commitment to delivery, to help clients we care about pursue their inspiring missions.

We work alongside clients who do great work within the sectors they operate, and we are excited to be involved in creating outcomes that truly make a difference.

We are an ethical consulting firm with a strong belief in the work we do, and with a passion to give back to the broader community with the skills and expertise available within our walls.

Right Lane was established in 1997 to help private, not for profit and public sector clients to clarify and accelerate their future plans. Over the past 22 years, we have helped the executive teams and boards of over 250 organisations to define and adapt their direction and strategy, identify and clarify their priorities, align their efforts with their aspirations, get their major projects started and finished, and measure and improve their performance.

---

## B Corp certified - what does it mean?

**In 2015 Right Lane became Australia's first B Corp certified strategy consulting firm and the first to be recertified in 2017.**

This follows Right Lane's decision in 2011 to adopt 'for benefit' principles, including reasonable returns, inclusive ownership, stakeholder governance, transparency, and social and environmental responsibility. Capping our return on shareholder funds at reasonable levels, rather than seeking to maximise financial returns, has allowed our firm to pursue our purpose to contribute to a better society by helping organisations that do good, do better.

B Corporations are a new kind of company that uses the power of business to solve social and environmental problems. Certified B Corporations meet higher standards of social and environmental performance, transparency, and accountability. The performance standards measure a company's impact on all its stakeholders, including workers, suppliers, community, and the environment. It's like Fair Trade certification but for the whole business.

