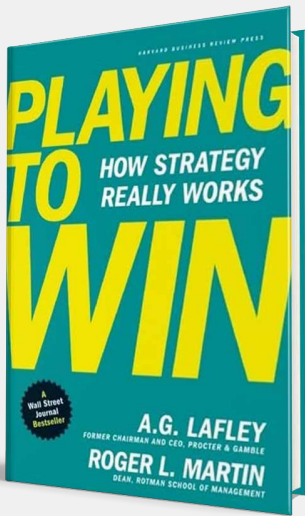


# Playing to Win

How Strategy Really Works

By A.J. Lafley and Roger L. Martin



Your organization probably has a purpose statement, carefully crafted to reflect who you are and why you're really here. You may even have a saying or slogan; something that goes on your website or shows up in the graphics. You certainly have programs and activities that serve that purpose well. And you probably have some goals—the things you wish would happen.

These are all great things. But having them, even clarifying them, isn't enough.

You need a plan—a written strategy that will point to these outcomes.

Strategy answers the *how* questions. It's the play-book, game plan, and operating procedures that bridge the gap between passion and plans. It's how to transform ideas into execution.

Very few organizations have a documented strategy. They have goals and vague words to describe activities, but they don't have a strategy.

If you're new to the idea of strategy, this book gives a good overview and shows how it can help.

# Overview

## Strategy is a choice.

That's what the authors say as they lay out a framework any organization can follow to win in whatever market they are playing in.

The book has stories of how Procter and Gamble repeatedly won with brands like Olay, Gillette, Pampers, and Swiffer, increasing market value by more than \$100 billion in 10 years.

Too often, leaders allow the urgent to cloud out the important. "When an organizational bias for action drives doing, often thinking falls by the wayside," the authors write.

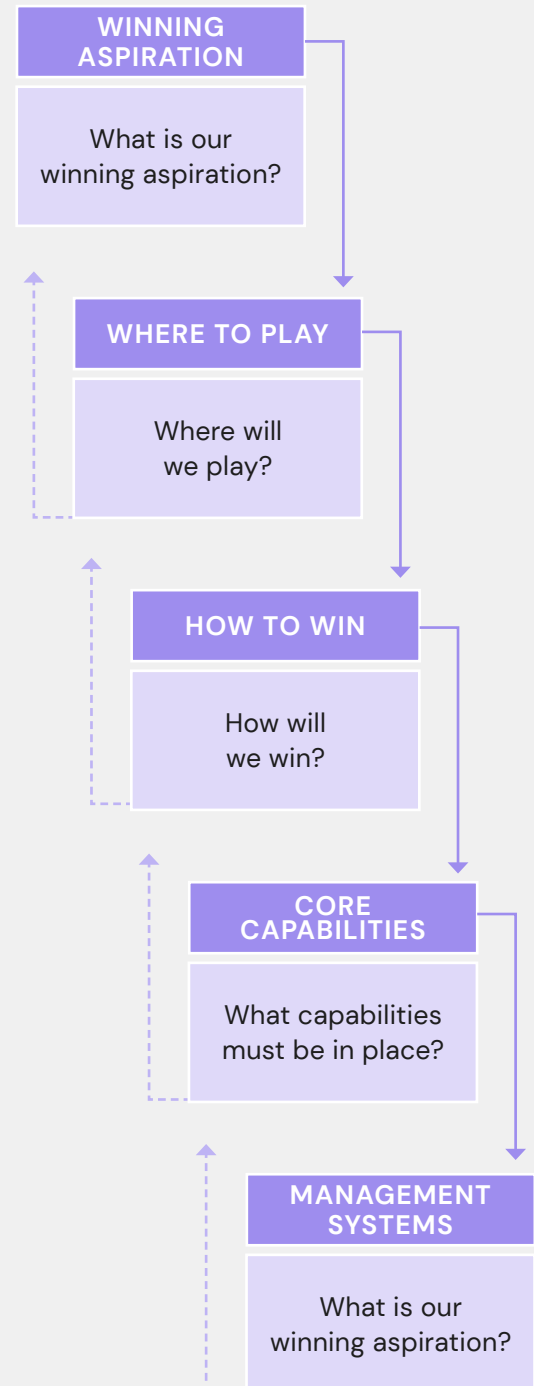
Instead of creating a strategy, many leaders consider a vision or a plan to be enough. Some deny that a long-term strategy is even possible. Others operate like maintaining the status-quo is strategic enough. Others just fall back on best practices of what's worked before.

"These ineffective approaches," Lafley and Martin argue, "are driven by a misconception of what strategy really is and a reluctance to make truly hard choices."

Building strategy isn't about finding a perfect solution. It's about increasing the chances of winning.

The first section of the book introduces the Strategy Cascade. In the last few years, this has become the go-to framework for dozens of organizations and is used in business school courses on strategy.

## The Strategy Cascade (simple version)



Strategy is a coordinated and integrated set of five choices, all of which depend on each other. Let's break these down a little more.

# 01

## Five Cascading Choices

### 01 | Winning Aspiration

What is the overall winning aspiration for the entire organization? This will frame all the other choices. Every organization needs to define what the win looks like and it's the first and driving choice.

As you move down the strategy cascade, you may need to continually revise your winning aspiration to make sure it's focused and clear.

Example: The skin care brand Olay defined the winning aspiration to be market leadership in North America and \$1 billion in global sales.

### 02 | Where to Play

This is where you begin to narrow the field. No organization can be all things to all people and still win. You have to decide where you want to compete.. Which markets? Which customers? What channels? What product categories? What technologies?

It's important to limit your focus to a place where you can win or make a difference. You can't pursue everything.

Example: For Olay, they decided to focus on women between the ages of 35-50 and work through mass retailers.

### 03 | How to Win

This is where you define the choices you're making in order to win. You are deciding what you will do to create unique value, and sustainably deliver that value, to the customers in a distinct way.

Example: Olay decided to address the seven signs of aging. They choose a price point between the mass market and prestige products.

### 04 | Core Capabilities

What capabilities must be in place to support the first two choices (where to play and how to win)? Do you need to develop existing capabilities or create partnerships with others?

Core capabilities are the range and quality of activities that will enable a company to win where it chooses to play. This may require deepening existing capabilities and building new ones or partnering with the experts. Deep consumer understanding, innovation, brand building, go-to-market ability, and scale are the core capabilities required for any organization.

Example: Olay had to partner with product ingredient innovators, work with designers for premium packaging, and develop relationships with advertising and PR agencies.

### 05 | Management Systems

What systems, structures and skills are needed to support the capabilities?

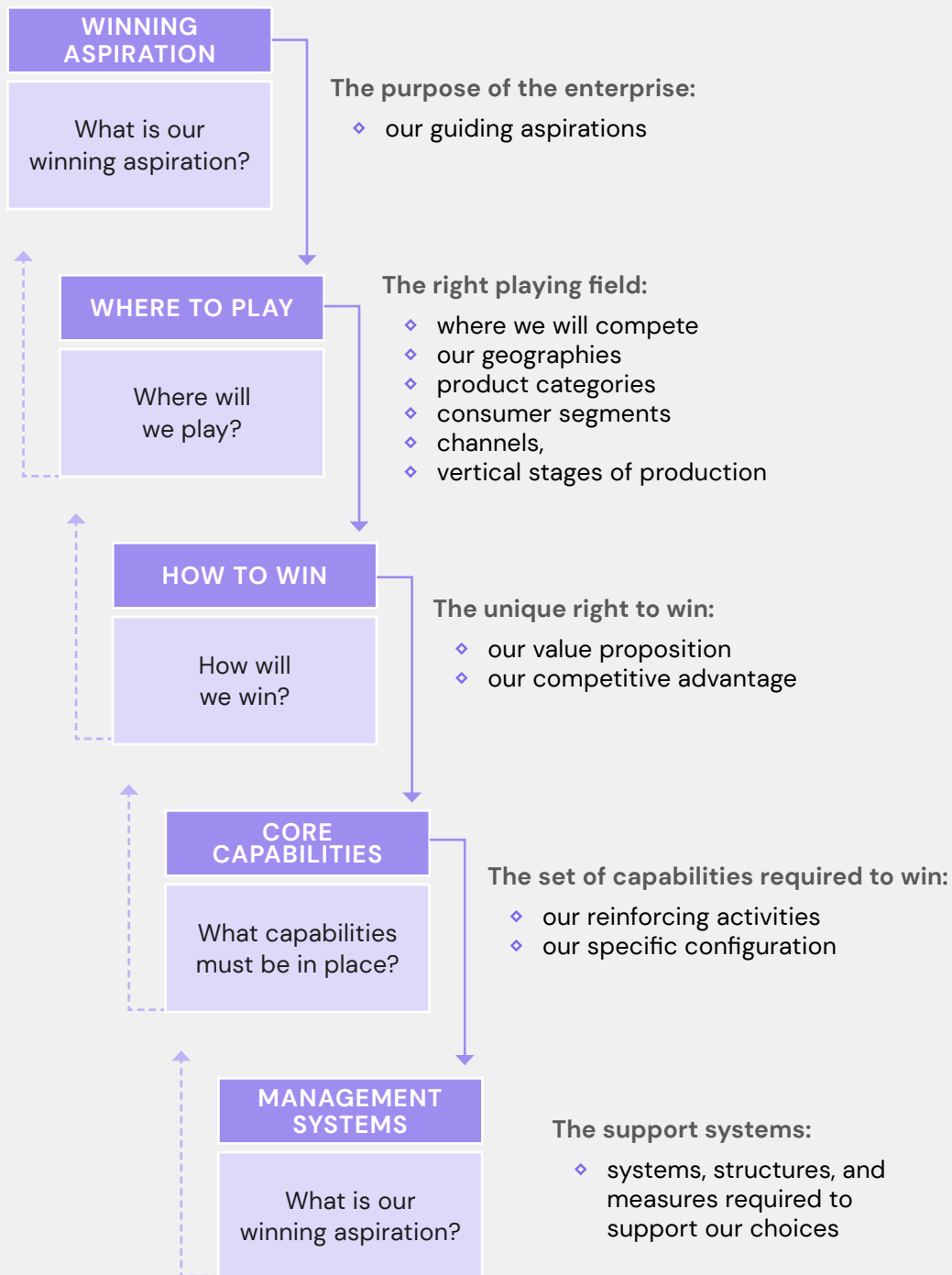
The systems need to:

- ◇ ensure that choices are communicated to the whole company
- ◇ make certain that team members are trained to deliver and sustain capabilities over time
- ◇ allow for broad and detailed tracking of key metrics

Example: When P&G doubled down on investment in Olay, they created a corollary human resources initiative nick-named "Love the Job You're in" to attract top talent to that division. Special benefits included enhanced professional development opportunities.

Taken together, this strategy cascade looks like this:

## The Strategy Cascade (detailed version)



# 02

## Getting Started

Even though this process has a simple graphic, getting started can feel like a task. The book introduces something called the Strategy Logic Flow as a framework to help you make these choices.

There are four dimensions to consider when trying to focus on where to play and how to win:

01

### The Industry

What is the structure of your industry and attractiveness of its segment?

02

### Customers

What do your channel and end customers value?

03

### Relative Position

How does your company fare, and how could it fare, relative to the competition?

04

### Competition

What will your competition do in reaction to your chosen course of action?

### Key Insights from the Book

The winning aspiration works a lot like your purpose and mission. Remember, purpose is your big picture *why* and mission is your *current objective*. The first is long-term and the second has a more short-term timetable. Your purpose is never really accomplished, but your mission has a finish line. In the Lafley framework, the winning aspiration might be seen as another way to communicate your purpose and mission.



One of the core capabilities most organizations need to develop is the leadership pipeline. Do you have a clear and identified system for developing leaders? What other systems and processes do you need in place in order to win?

# Discussion Questions

01. How does Lafley's idea of the winning aspiration intersect with our understanding of purpose and mission?
02. Are we focused enough on who we are trying to reach? Or are we being too broad or generic? How should we wade through the tension of being open and available to all but orienting our limited resources toward who we are likely to reach?
03. What systems and processes do we need to enable our strategy? What systems are working well and what need improvement?

## Key Insights from the Book

When you wrestle through the “Where to Play” section, you should think about how you intentionally limit your focus. Products designed to reach everyone often reach no one. Wrestling through this question can help you get a lot of clarity and keep you from trying to market too broadly. This is also true about features—you don't need to cram in every feature request to have a great product. Intentionally choose what to offer based on real need and your capacity.



Scrappy and entrepreneurial businesses might not think of management systems, but one of the simplest and most powerful is a meeting cadence. Who gathers, and when, to talk about the most impactful issues? The answer to that is really a meeting system.