

Re-thinking strategic thinking

Knowing, Knowledge and Strategy





And this is the second bit of Re-thinking Strategic Thinking

- Explores why what gets taught to students is so impoverished and tends to bad strategic thinking...
- Sets out a brief "history" of Strategic Models and thinking...
- Prefaces the rest of "Rethinking Strategic Thinking" strand or playlist

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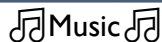
Thinking Strategically....

Competing for the future: Hamel and Prahalad



Hamel and Prahalad shifted the time frame (to the future) and re-framed ideas of (core) competence – the ability to disrupt

It is the second bit of the longer "Part 1" of Re-thinking strategic thinking..




- 00:19 Hamel and Prahalad, when they first launched their "Competing for the Future" book, and there are a series of articles in Harvard Business Review, and this stuff was so different.

- 00:33 It was so much about, help your people build a vision of your business.
Excite them with the vision of your business.
Enable them to enact, to bring that about.
- 00:50 Now, as we review, we look back on their writing.
We've lost that bit.
Mind you, it was probably just promotional hype anyway.
And we come back to this.
- 01:11 Their work was based on studies of Japanese businesses. Now, Japanese businesses are interesting because they don't have strategy, according to Porter. They don't do what I say, says Porter.
And their apparent behaviour was very difficult for him to account for.
- 01:38 Hamel and Prahalad explained that competition in a marketplace, competition for dominance of an existing marketplace, is short-term, is thinking, and is irrelevant. If you focus on that alone, you're dead.
That's their thesis.
- 01:55 They argue that competition is a race for resources, especially for resources which enable the accumulation of capability and productive capacity, new technology
And the phrase they use somewhere or another is the blow competition away.

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- H & P explain that competition **in** or **for** markets is short-term thinking and irrelevant
- They argue that the competition, **the race**, is for resources, especially **the resources and capability to build productive capacities (technologies and processes) that....**



- For example, if the race is for resources, the race is for capability, I know what.
- 02:33 We look at photocopier manufacture.
Oh, right. Just because we will.
- 02:41 They talk about a Japanese company that built superior print engines. They worked very, very hard to produce better quality, lower cost. And those print engines went into their copiers and they had a superior performance as a photocopier.
- 03:05 Guess what?
Let's sell them to our competitors.
Eh, eh, eh?
Porter.... People who think like Porter would be going, **blah**.
- 03:21 Well, yeah, but the thinking here from Hamel and Prahalad has been cute.... Here you've got a very valuable component of a final product, the photocopier.
If you sell that to your competitors, obviously for a good commercial price, they will think that they are

getting a superior performance in the print engine, which they will be.

They may or may not get a cost advantage buying from this business.

Deal goes through.

- 03:59 **The way that the business has really won is that it has disabled its competitors' ability to develop, to push forward print engine technology.**

And the competitor business has become more and more dependent on our prime business.

On It's print engine.

Cute, eh.

- 04:28 The business gains virtual market share and it disables. It erodes technical capability amongst its competitors.

Oh, John.

- 04:50 However, what's difficult to get on a video presentation or a lecture (Bearing in mind, these are my old lecture notes, or based on my old lecture notes) is...

Hamel and Prahalad writing very much positions the reader **as if they are within the organization**.

- 05:13 Hamel and Prahalad are stressing how it is people within the organization, looking *from within* the organization, that are developing strategy stuff.

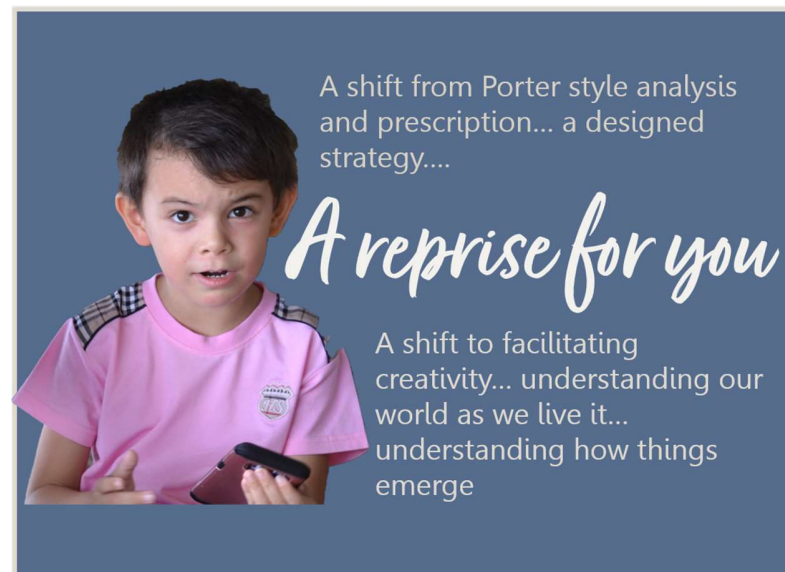
- 05:24 An example, a reason they give is that the traditions of service in key appointments in technology and

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- marketing in Japanese company, the length of time somebody spends in an appointment, spends in a job, is much longer than in the USA and the Europe.
- 05:47 And what Hamel and Prahalad are saying is, this leads to a much deeper understanding of the technology, if you like, the traditions and the trends within the technology. The way in which the technology may or may not be developing and can be redeveloped and redefined.
- And the way in which that fits to our product, *our portfolio of products, our future market spaces.*
- Did you hear that?
- 06:23 The way things are emerging, the way in which we can be transforming things to impact on our future business spaces.
- 06:36 In a way, what they're doing is looking for changing technologies in a way which makes life much, much more difficult for the competitors.
- oh dear, it sounds as though I've lost, well, I've lost the thread. It sounds as though I've not communicated the thread.*
- 07:07 The businesses according to Hamel and Prahalad are about changing the nature of the industry that they are participating in.
- That's right, got it.
- 07:21 They are changing the nature of the industry. They're not following an industry pattern with you, you probably are.

So, the foregoing.
These have been the dominant ways of thinking.
There's been a shift.



And there's been a shift from analysis and prescription. Analysis, description, and then prescription include an embedded view of the way the world works. That's how you get the prescription of what to do. And there's been a shift away from that to an understanding of the way in which we understand our strategic world. The way in which we understand our world and the way in which we act within it.

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This is a view which embraces the emergent properties of organizations.

The emergent properties of systems.

It's a focus not directly on the outcome. It's a focus on **the preconditions**. The preconditions that enable the outcome to emerge.

I like that stuff.

Thank you very much.