


# Re-thinking strategic thinking

## What if Gregory Bateson taught Business Strategy?



**What if Gregory Bateson had taught strategy?  
Part 2**

**The way John was doing it...**



If Bateson taught business strategy, what would he do?  
Well, the way John was trying to develop the thinking/doing was to use experiential learning...  
Not a comfortable fit for other academics!

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00:00 My thinking about strategy and the way to teach it, or the way to enable students to learn it was formed over several years or several months. The one strand of it was when we started, when I started, to deal with the notion of business modelling.

00:39 Now business modelling emerged in the literature really in response to e-business. Businesses were so radically reconfigured and they didn't look like anything that they looked like before. And they transformed very quickly because of the interaction with the technology. Here I have in mind Amazon.

01:00 Amazon started off as a discounted bookseller from a garage. Simple really, isn't it? Why have a shop when I

can sell it on the internet? But the business has been transformed as they've started dwelling, anyway, in... the business model is trying to facilitate people understanding the way they are dwelling within their enterprise, within their industry, within their environment.

01:37 I shouldn't use the word industry, but never mind. We used to teach business, I'll do a little piece on business modelling so you can find it, but the gist of it is this. We used to say to the students, let's imagine that we are choosing to run a restaurant and we're going to run a full-service restaurant. By full-service I mean cutlery, plates, somebody's going to come along and have a treat and there'll be a waitress service. What do I need to do that?

02:27 What's my minimal resource configuration to do that? What do I need? That is how we'd ask the students. And of course the students, bearing in mind I was teaching in the UK, would come back,

02:42 You need premises, no I don't. You need a kitchen, *no I don't*. You need ovens, *no I don't*. You need a hob, *no I don't*. You need tables and chairs, yes, but it might be

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- that I have very, very low tables or cushions. I don't have to have tables and chairs. You need tablecloths, no. You need plates, yep maybe.
- 03:20 You need eating implements, knives and forks and spoons, possibly. And then they started, how the hell can you run a full-service restaurant like this?
- 03:35 So I would then respond, well there are a couple of things you missed off. I need a gopher. I need a washer-upper. I need a sink. I need a water supply.
- 03:49 Then I can run my full-service restaurant. At this point they're really, really puzzled. Well how can I do it? I do it because what I'm thinking of, what I'm dwelling in is an Asian location, whether it be the Philippines or maybe Taiwan, certainly, and Thailand, maybe Vietnam, where a full-service restaurant, a full-service eatery can be, and often is actually, just within the structure of a Dutch barn, located near a street market with street food.
- 04:39 And my restaurant, this is where my gopher comes in, takes the order, runs off down the street, brings the food back, plates it and makes it look lovely, gives it to the service people, the waiters, waitresses, who take it out and make a great big fuss of serving you your food.
- 05:02 The configuration works and I can make it work because I have dwelled within those places and I understand the dynamics of those places.
- 05:14 I hope this is making sense to you. Gordon Ramsay would be appalled. Well now hang on a minute, if you watch Gordon Ramsay's programs about rescuing restaurants, you begin to understand that he brings all of what he has from dwelling in his kitchen spaces, and he brings an idea of how you can connect people within an area, within a place, to the product of his dwelling.
- 05:52 What do we mean by that? Well, a marketer would say, he just takes out samples on the streets and gives them away for free. Well yeah, but understand what's behind those processes, understand what's behind those thinking.
- 06:07 So anyway, back to the model. So having had that little game, we then ask them, okay, so what do we need to start the process, to start the flows within the business?

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And why is it that I have really chosen to have a serving member of staff?

Well, you've got to bear in mind that my questions are a teaching vehicle, so there are all kinds of things going on inside it still.

06:44 To get the business to work, we need to have a customer to walk in.

And the way that we start to think about it in the modelling, is we have a leading following circle.

07:04 So how do we lead the customer in?



And we want the customer to follow some initiatives.

07:15 So we ask the question, what then is the customer led by?

Well, the obvious thing is they're led by a menu.

Because that leads their choices.

And if they're not engaging with a menu, then the member of staff can lead the reading of the menu.



07:38 The member of staff follows the choice, writes it down, and that goes to the kitchen, and that leads the

activity in the kitchen.



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07:54 So the kitchen is following.

Now, I can't go further than this because it gets a bit complex as a set of pictures, but what you end up with in a model is a model of interacting cycles.



08:08 For me, the beauty of this thing is, you can sit somebody down and ask them to draw the leading following cycles of their business, and the way that that works.

08:26 Once you follow the leading following things, you can press the buttons, so to speak, to get any of the little circles to work. A couple of things flow from this, and one of them is that **the business ain't linear**.

**The value chain ain't a value chain at all.**

08:48 The value chain is squiggly, squiggly, squiggly, squiggly, squiggly, squiggly, and if the little leading, following, following, leading, following bits aren't in place, they don't work.

09:03 Ah, the whole idea of working with the students in this way is to engender, I don't know what I can call it, a felt and talked-out connection between the ideas that they're coming across in the strategy lectures, but... with their experiences of being in a family business, or constructing a business and thinking about going into business, so that they have a way of thinking through the way the business dwells with, and interacts with, where it is where it's at.

09:53 **Okay.**

09:59 I'm pausing so that you can have a think while I have a think.

All right.

10:07 The next part that started my puzzling over whether or not we were teaching strategy appropriately, and that stuff, was....

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Why is it that I would spend 30 hours plus working in a classroom on this mythical strategy stuff?

10:32 By the way, most of that was assumed to be, blah, blah, blah, blah, pinpoint, powerpoint, whatever you want to call it, at the student.

But the very, very interactive classes, doing stuff, doing stuff, doing stuff, talking... Okay, so the very, very interactive styles of teaching that I would have, just under Covid, just can't happen.

11:06 You know, we used to have eight, nine or ten, how many is that? Yeah, eight, probably, students in a group, around a table, talking, talking, arguing and arguing, and working things out.

Very, very close. Mask and social distancing.

Wouldn't happen, wouldn't happen.

11:27 Anyway.

So, the class was doing one thing.

11:34 And what I was curious about was, I was a very, very great fan, and given my human resource development background from industry, to some degree an exponent of experiential learning through games or through what we would often call adventure training.

11:59 That is to say, being out in the hills, with specialist outside support staff or training staff, doing stuff which was a challenge, doing stuff which was a challenge. Sometimes the challenge might be rock climbing, abseiling.

I enjoyed abseiling after I got over the first abseil.

Really did. I can't climb rocks to save my life. But certainly if you could see the lower part of me now, you'd understand I certainly couldn't do anything like that.

But anyway.

12:34 And we used to work at the business school with a group of guys who were absolutely fabulous.

Steve and his merry men. Steve was an ex-marine, but that's by the by. Ran wonderful stuff.



12:55 Why was it wonderful?

What they were able to do was to provide challenging experiences which, in a small compressed time frame, caused people to be thinking and dealing with the same kind of issue, the same kind of problem, as they are in organisations.

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13:21 Think about looking down from on top.



You say they're not the same.

13:27 But through your own eyes and



thinking about what you've got to hear, what you've got to think through, what you've got to say, the way

you've got to interact with somebody else to communicate information and understanding and exploration, a representation of what it is.

13:50 This is good stuff, particularly when it is skillfully debriefed.

14:00 The thing about the skillful debriefing is students will go, oh, I'm at a business school, so I must introduce a clever business management language. To which I have once or twice quietly said to a student, bollocks.

14:14 Tell me how it is. Tell me what it is.  
Tell me what you are experiencing.

So they would come up, oh, we need a good leader.

14:25 **Hang on a minute, I haven't a clue what that is.**

I don't think anybody in the academic literature has a clue of what a good leader is. Certainly not for what you are doing today.

It's not specific enough.

14:35 So tell me what you did have and then tell me what you thought you were missing.

And as you explore what you thought was missing, how would you put those bits that are missing back into your team, into your group before you do the

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next one. So we're working on these interpersonal communicating skills.

14:56 When you read Chia and Holt and think about it, when you read Gregory Bates and think about it, that stuff is where strategy is at. That's where strategy is at. You can't do strategy without that stuff. As I say it to you like this, it's so simple and so obvious, but try telling the fucking Dean that. I'll have to put a beep in here. Oh, Dean.  
Anyway.

15:35 So we used to do this stuff. We'd spend a lot of money because transporting the kids to the location, paying for the hotel and accommodation and stuff. At most we could afford as a course, allegedly, three days, maybe four if you were very lucky.  
But doing this outdoor stuff.  
And we bring them back and they go, oh, that was jolly nice. We did some team building.  
And then they forget it. And it's very difficult.  
Well, I found it very difficult, (but maybe I wasn't thinking about it the right way) to pull those

experiences back into the class and get them to connect together.

16:17 I started the title, How would Gregory Bateson Teach Strategy, and I talked about loads of stuff except Gregory Bateson.

16:29 It's interesting.

There is a story that he walked into a class one day with a bag full of stuff. And this bag full of stuff was rocks and fossils and other bits of stuff that you might find lying around in your garden, generally lying around in a place of nature. It included a few crab carcasses, crab skeletons and other skeleton bits.

17:16 And he asked the class to sort out which of these were organic and which were inorganic.

OK, that's straightforward. Easy.

Didn't take the class very long to do that.

Few things apparently were in discussion or in debate.

17:47 One of the ones I can imagine happening, I don't know whether it actually did, is that some clever sausage would argue that when you've got a fossil, you've got an imprint of something that was alive, not the thing itself.

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Does that sound familiar?

If not, go back and start again.

Anyway, they got things sorted out into, yep, yep, yep, yep, these are natural, these are organic and these ain't organic.

18:26 And then Bateson smiles at them and says, how did you do that?

What?

How did you distinguish, how did you make a distinction between the stuff which was organic and the stuff which wasn't?

18:49 What is it that you noticed that let you know which is which?

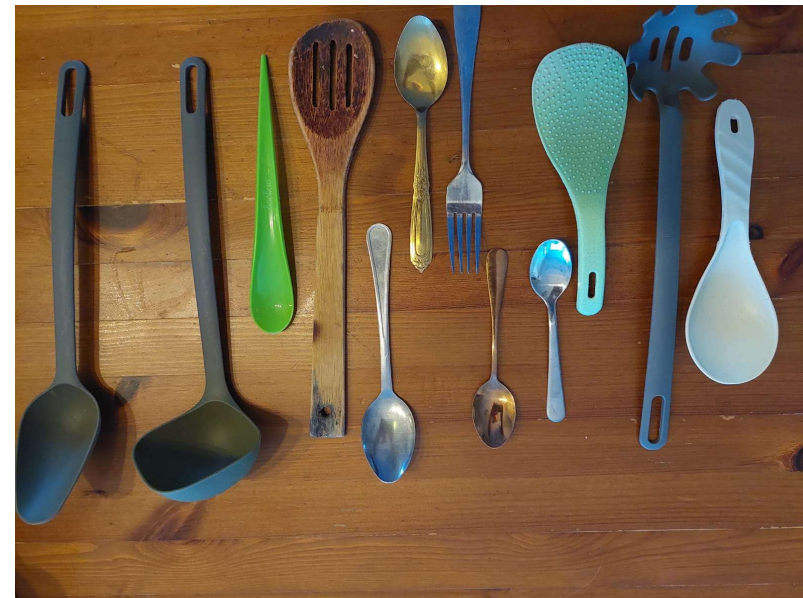
18:59 To go back to his big question, what is the difference between these objects that made a difference so you could sort them?

[The big question: what is the difference that made a difference?]

19:17 I'll let you ponder on how you might do it.

Is this where I say the answer is below in the notes? I don't know. See how well you get on with that.

19:40 Another thing that Gregory Bateson might do, enabling students to understand strategy, is something that I used to play with research students, particularly doctoral students. And I would hold up spoons, different types of spoon, but anyway, spoons.



20:07 So I'd hold up four or five spoons and I would ask them, what are these?

20:16 Well, no, actually, sometimes spoons, more often than not, it was just a range of kitchen instruments, you know, knives, forks, spoons, ladles. But collections of

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spoons, very, very different types of spoons, works really, really well. So ladles, slotted spoons, blah, blah, blah, blah, blah, blah, blah.

20:37 *Notice I'm using the names of things so that you can think about your experience to see in your mind's eye what it is that I've got in front of me.*

20:49 So here, and then I just hold two of them up. Any two will do. I didn't particularly choose them, I just went, there's that one, there's that one.



20:57 **Where is the difference? Where** is the difference between these two things?

21:02 Well, it's interesting, and this is significant for the strategy thinking and the idea of dwelling and the idea of engaging with your environment.

And Bateson would have had a big go at this.

The first answer I get is, that one's big, that one's small.

Yeah? But where's the difference?

21:33 That one's got slots in the bottom part, that one hasn't.

Yeah, yeah, yeah, but **where** is the difference?

21:43 This really teases and plays with this positional metaphor in strategy. Because what the students are doing is they're looking at the objects as two things.

22:00 They're ignoring themselves. And they've got a plan, or a map, and that object, that spoon, with slots in. And they've got a plan, or a map, of that spoon, with no slots in.

22:14 And the difference? Slots, no slots. Oh, that's a difference.

[22:19.280 --> 22:29.280] You would [hold a] ladle, in that hand, teaspoon, in that hand. Where's the difference?



Same thing would happen first, yeah?



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22:35 That one's got a big thing and holds lots, and that's a little thing and doesn't hold lots. Sorry.

Yeah, but **where** is the difference? Because **you're not** answering the question, **where** is the difference?

22:50 You're articulating **what** differences **you can describe**, not **where** is the difference.

That would really drive them mad.

23:00 So then they would reach for more abstract ideas very often. Oh, it's in the texture, it's in the material, it's in, it's in, it's in, it's in. But still what's happening is that they are looking, how do I do this?

They're looking, yeah, they're looking at the object.

23:20



Bateson's very clear. **Differences are constructed here**, and then articulated.

And when they're articulated, somebody will hear them, and process them up there.

23:37 But the difference doesn't exist.

**The difference is not a thing in the world.**

The difference is constructed in here.

That really, really matters in terms of strategy.

23:52 Because the difference that somebody might be exploring in where they're dwelling, exploring as they're dwelling within their business, is a difference that they're constructing out of their interaction with that business. Out of their experience of the business interacting with the environment.

24:16 Except the business doesn't interact with the environment....

24:20 We run a spa here in the Philippines.

*Our business doesn't interact with the environment.*

24:28 **We do stuff on behalf of the business with actors in the environment.**

Only a very obvious one [actor] is a client.

24:41 How do we get clients to come in?

Well, we're a bit naughty with their data.

We send them texts as they haven't been in for a long time. Why do we do that?

24:56 Because I saw bingo clubs in the UK do it. And I thought, oh yeah, oh yeah.

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25:04 The interesting one is we wanted to send out invitations for birthdates. But people here in the Philippines won't give you that birthday data. Which is interesting.

25:19 So, the business doesn't interact with the environment. The business doesn't interact with the environment.

25:25 Managers, executives, people take what they have as a representation, or an image of their business and they use that to guide what they're doing.

25:48 Back to the restaurant. The minimal configuration I was arguing for in class a product of my experience of living and being in Asia. Which is quite funny because a lot of my students were Asian but they were Chinese.

26:06 Actually, the funniest answer I ever had, to me, as a Brit who spent a lot of time in the Philippines, the funniest answer that I had was

26:20 "OK class, what do I need to run in a restaurant?"  
This guy, well I heard the word, a queue.  
What? I'm thinking, a cue. This is what you say, a cue card, a cue.  
No, what?

26:36 A **queue**, several voices said.

The table, because we used to have students sitting at tables.

I said, a queue?

26:45 Yeah, successful restaurants have queues.

And in China, we pay people to pretend to queue. To get customers to queue, to come in.

26:58 I thought, oh yay, goodness me, that got you John, didn't it? That got you. Teaching strategy.

27:05 Oh, but that's *only a technique*.

27:06 Yeah, but what do you think strategy is? We're all good at talking technique. We're good at talking technique. But technique without the thinking, the understanding, the model in your head, the model in your body of the business.

27:26 **Just applying the technique ain't strategy.** Don't work. Don't work.

27:33 We don't tell that to people in the business school, do we?

27:37 So, Bateson would be finding ways of getting students to explore and articulate differences. And he'd be looking at two types.

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- 27:52 I think there's more than one. He would be concentrating or focusing on what I've been talking to you about, which is the way of relating between individual manager and the individual student. The way of relating between the individual manager, the organisation, and the way they perceive that dwelling.
- 28:13 And he would also be very, very interested in accounting. But not accounting and finance.
- 28:20 He would be interested in accounting in terms of storytelling.
- 28:25 So, the idea of getting somebody, we just call it, oh, this is a case study to look at how the theory is applied and how it's successful. **It's bollocks.**
- 28:36 Actually, what matters is somebody talking about the way in which they have been thinking through and developing their business. And when I say talking about, I don't just mean talking about.
- 28:52 What we're after is we're asking them to talk through the way they see or saw or understood things. What they were paying attention to. What that meant to them as they were working through it.
- 29:09 Because what we want are the stories of how they were dwelling and the stories of how they were moving their business and whether or not their intentions in moving the business....  
*Gone back in the spatial thing again, haven't I?*
- 29:28 Getting the business to go on.  
You can't get away from the language. I'm sorry, but. God, here I go again. I'm off on the thing. Have another beer. I'll go back into retirement.
- 29:44 **So, as they're articulating and trying to express** what's important to them in getting this. So, the business isn't static and dead.
- 29:58 Bateson will be really, really interested in trying to identify the differences that these people are articulating in the way that they're doing things.
- 30:13 Looking at several case studies, you then begin to realize that there are categories of difference. You get different types of difference. You get types of stuff which people notice. And we give that a label.
- 30:39 This labeling of stuff that people notice goes into the forming of theory.

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You take care. We'll see you next time.



The playlist

<https://www.youtube.com/playlist?list=PLOlZrdw8c9lxsImsgFsyy7CO32-kTfqj4>



The playlist:

<https://www.youtube.com/playlist?list=PLOlZrdw8c9lzyKhwi0Xupdt6uaLjVAT9l>

### What if Gregory Bateson had taught strategy?



If Bateson taught business strategy, what would he do?

I/We taught "good practice" in my school, **but** I can't help thinking it was **wrong**

This is about thinking through why it was wrong



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Playlist :

<https://www.youtube.com/playlist?list=PLOlZrdw8c9lwHRAUm4v9VIm2AifP3B2N>