

STRATEGY

A thick yellow line starts at the top left, runs horizontally to the right, then turns 90 degrees downward, ending in an arrowhead pointing towards the bottom right.

DOUG WINTER
ISOTOMA

A photograph of two men standing in a room. The man on the left has a beard, wears a black beanie, sunglasses, and a black t-shirt with a chain necklace. The man on the right has a beard, wears a black beanie, sunglasses, and a black jacket over a white t-shirt. The background features a wall with several framed records and posters, including one that says "PAIN".

**“Cause I'm gifted, I read Sun Tzu
I bought a gun too so you'll never come to”**

Just Another Victim, Helmet and House of Pain




“the only practical advice that we were given was that every company should send teams of people to country hotels every year to think about the future”

Participant on a fifteen part course on business strategy


What is
strategy?





“The talent of the strategist is to **identify the decisive point** and to **concentrate everything on it**, removing forces from secondary fronts and ignoring lesser objectives”

**CARL VON
CLAUSEWITZ**

The background of the slide features a dark, textured surface with faint, large-scale silhouettes of chess pieces, including a king and a queen, positioned behind the main text.

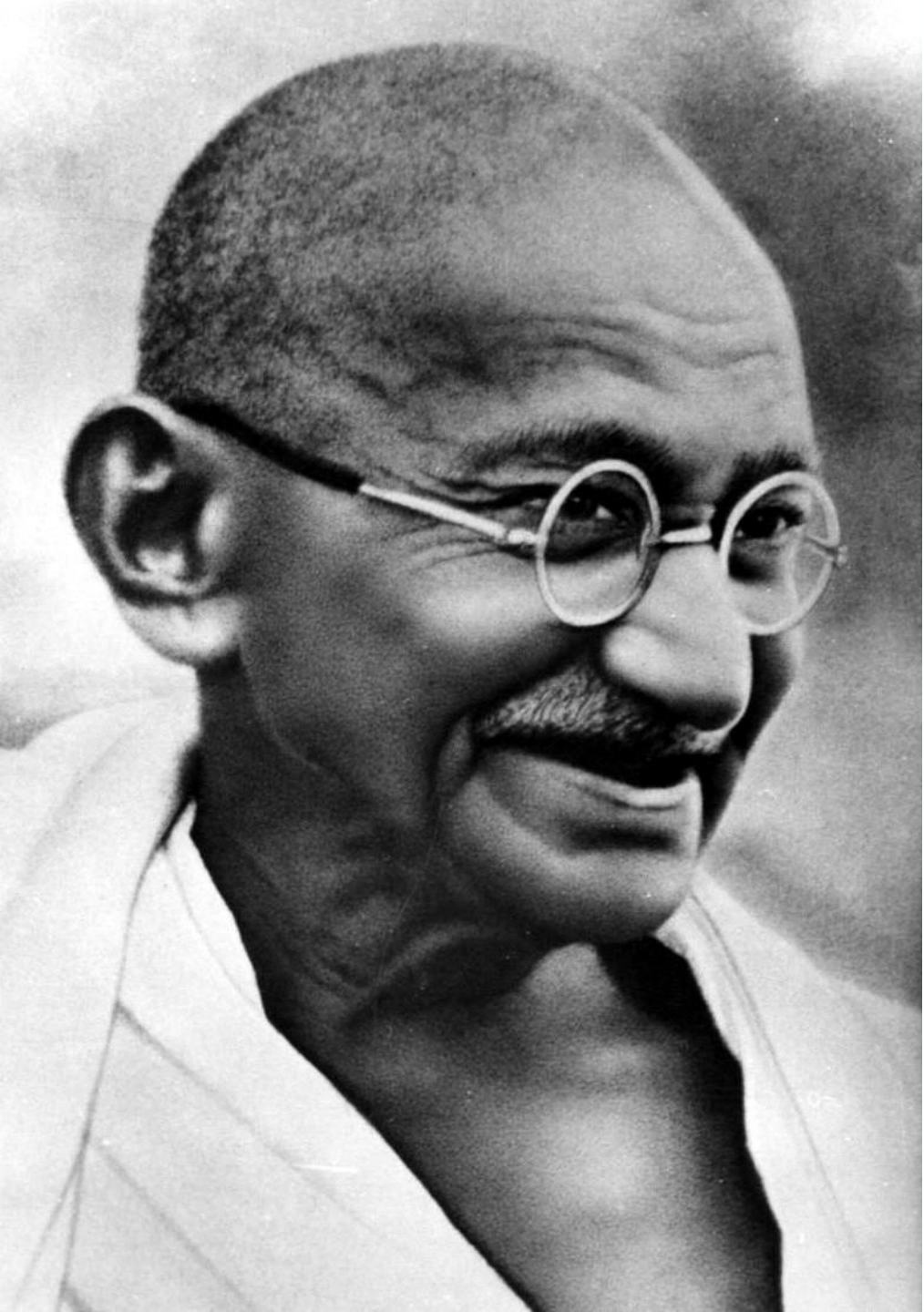
“The determination of the **basic long-term goals and objectives of the enterprise and the adoption of courses of action and the allocation of resources necessary** for carrying out these goals”

**ALFRED
CHANDLER**

The background of the slide features a dark, textured surface with faint, light-gray silhouettes of chess pieces. On the left, a king piece is visible, and on the right, a knight piece is shown in profile, facing right. The overall aesthetic is minimalist and sophisticated.

“Probably the commonest sense in which the word strategy is employed today is as a **synonym for expensive**”

JOHN KAY



**MOHANDAS
KARAMCHAND
GANDHI**

1869-1948

Why was non-violence a strategy?

- **Was directed - didn't just happen**
- **Coherent exercise with clear goals**
- **Consciously considered other options**
- **Was designed *specifically* to influence the *choices of his opponents***



Eric Garland ✓

@ericgarland

 Follow



<THREAD> I'm now hearing this meme that says Obama, Clinton, et al. are doing nothing, just gave up.

Guys. It's time for some game theory.

RETWEETS

5,337

LIKES

10,795



8:28 PM - 11 Dec 2016



791



5.3K




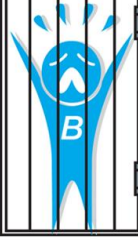

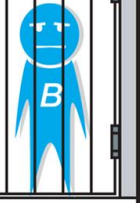



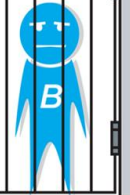
11K

“Real life consists of bluffing, of little tactics of deception, of asking yourself **what is the other man going to think I mean to do**. And that is what games are about in my theory.”

The background of the slide features several dark gray silhouettes of chess pieces, including a knight, a king, a queen, and a rook, arranged in a row. A thin yellow horizontal line extends from the right side of the yellow name box across the width of the slide.

**JOHN VON
NEUMANN**

The prisoner's dilemma

Prisoners' dilemma		prisoner B			
		confess			remain silent
prisoner A	confess	 5 years	 5 years	 0 year	 20 years
	remain silent	 20 years	 0 year	 1 year	 1 year

U.S. BLOCKADES CUBA, TELLS RUSS 'LAY OFF'

Will Sink
Ships That
Wreck

President's Cuba
Stand Far-Reaching

Southeast
Gears To
War Pace



President Acts
Island's A-Missile
Build-Up Cited

WASHINGTON (AP)—President Kennedy declared a U.S. "quarantine" against Cuba today, saying the Soviet Union was sending Soviet missiles to Cuba. He said the United States would not allow any Soviet ships to deliver such missiles to Cuba.

Kennedy Orders Blockade of Cuba As Reds Build Nuclear Bases There; U. S. Will Sink Defiant Arms Ships



President Calls Off
All Campaign Trips

U.S., Russia
Now Facing
Test of Will

Hemisphere
Held Peril
By Missiles

FINAL
DAILY NEWS
NEW YORK'S PICTURE NEWSPAPER
Vol. 44, No. 101
New York 27, N.Y., Tuesday, October 23, 1962
5¢
WEATHER: Partly cloudy, mild, cooler.

WE BLOCKADE CUBA ARMS

Red Ships Face Search or Sinking

- Explicit strategic model was of **escalation**
- Communication: all communication during the crisis was by **military maneuver**
- Resolved by a phone call between the leaders
- **Exposed how poorly each side really understood the other**



- Game theory persists to the present day with nukes
- Trident is an explicitly “game theoretical” resource because it is a second strike weapon

Corporate *strategy*



During 20th Century, much of ***strategy*** meant *competing better*.

- **Squeezing margins**
- **Competing harder**
- **Constant improvement**

Lots of corporate strategy is full of stories from this approach:

**CF. FORD, TAYLORISM, DRUCKER,
THE RAND CORPORATION, MBAS**

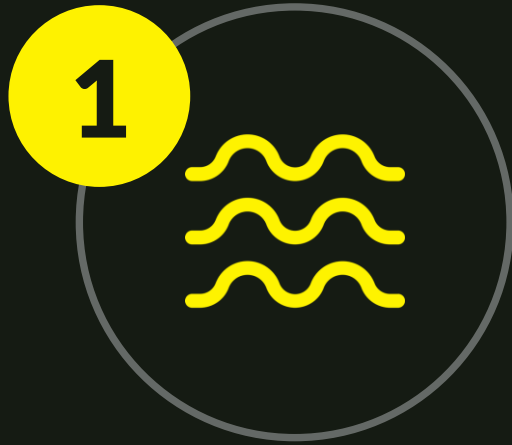


Here, you see, it **takes all the running you can do**, to keep in the same place. If you want to get somewhere else, **you must run at least twice as fast.**

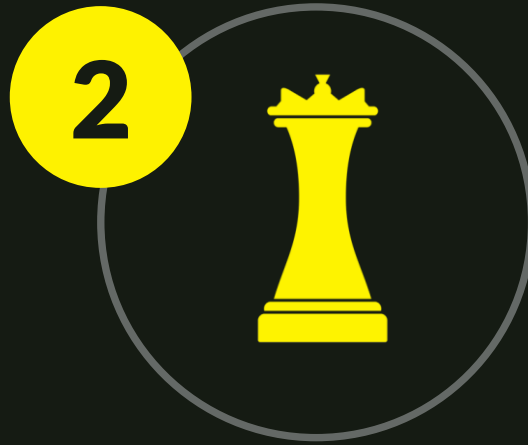
Alice Through the
Looking-Glass

**Marginal gains are
not enough, because
they can be *copied***

Three big areas that now comprise a lot of modern business strategy:



Blue Seas



Culture



Alliances

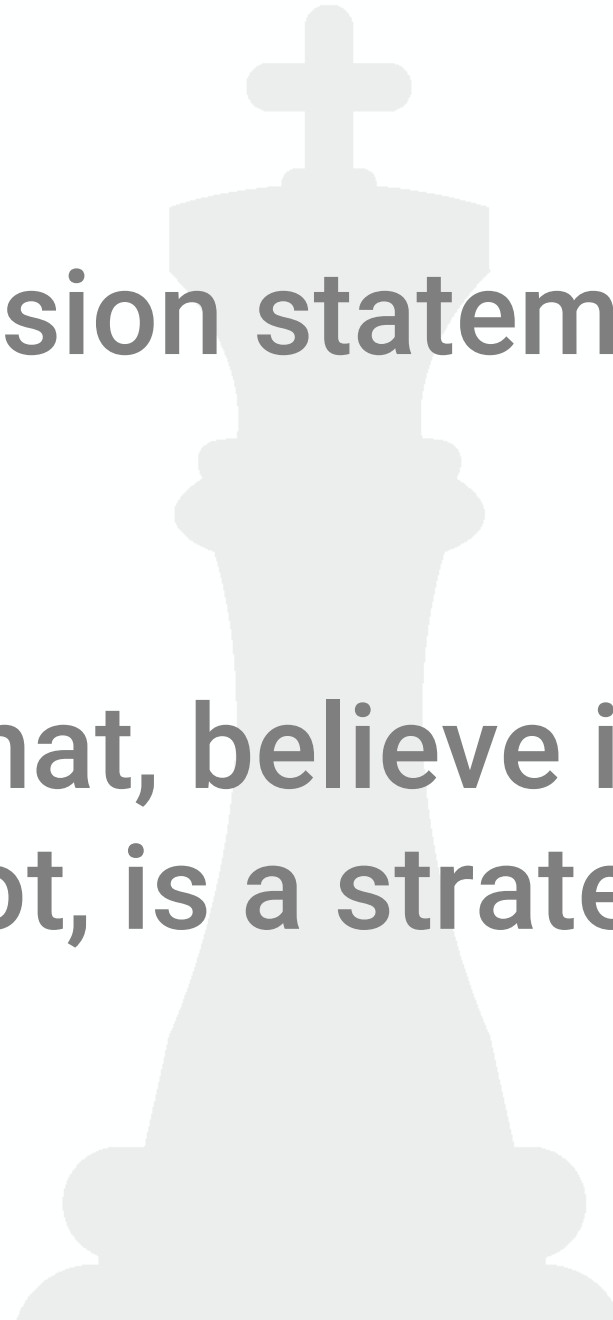




Culture & Values

Vision statement?

That, believe it or
not, is a strategy.





Alliances



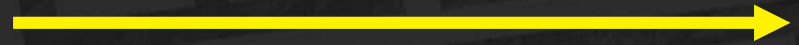
All of these moves
come from game
theory - developing
non-zero sum games.
“Coopetition”.



Why compete,
expensively, when you
can **share the profit**,
and potentially
generate even more?



Negotiation



People think negotiation is haggling: winning
somehow, *probably by beating someone else.*

That is not a negotiation. That is an *argument.*

Negotiation is really about:

- **Listening**
- **Timing**
- **Control of the process**
- **Knowing and understanding your BATNA**

Rarely are there any secrets, there are only misunderstanding

Strategic Failure



**Brexit is a wonderful
example of strategic
failure**

HMG approach

- **Referendum called to resolve party differences**
- **Article 50 terrible vehicle for UK purposes**
 - **EU control timing**
 - **EU control process**
 - **No leverage**

HMG conduct of A50 process

- **No objective**
- **“Playing the man, not the ball”**
- **Needlessly destroying goodwill**
- **Hilarious BATNA posturing**
- **Hilarious claims about our Sooper Sekrit negotiating position**

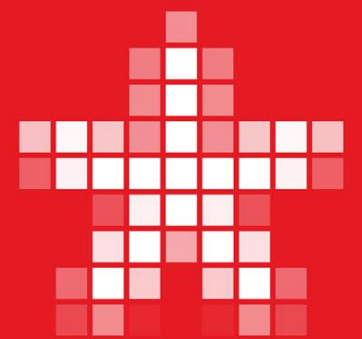
Thank you for listening

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