

Composing Strategies

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Abstract

In his McKinsey prize winning paper, *Crafting Strategies*, Mintzberg stated that the planning image of orderly thinking, even though popular in the literature, distorted strategic processes and thereby misguided organizations that embraced it. He asserted that, in reality, there was no such thing as purely deliberate or planned strategy. Similarly, there was no such thing as a purely emergent strategy either. Mintzberg viewed strategy management process along a continuum that ran from purely deliberate strategies to purely emergent strategies. Real-world strategies fell somewhere in between and might have been planned and formulated deliberately and explicitly via a structured process but became emergent implicitly in reaction to the changing environment and market forces. Thus, he contended that the crafting image better captured the process.

With the crafting analogy, strategists were potters while managers were craftsmen and strategy was their clay. A potter sat before a lump of clay (strategy), between a past (of corporate capabilities) and a future (of market opportunities), knew exactly what had worked before and what hadn't worked before. A potter had an intimate knowledge of the materials at hand, the potential product and course of the organization, her/his capabilities, and markets. A potter sensed rather than analyzed. Her mind and hands work in tandem as the product emerged.

In this paper, we use **composing** strategies as an analogy for the strategic process and submit that it captures the actual strategic process even better than the crafting strategies analogy. Composing Strategy extends the crafting image into the organization context. Furthermore, it encompasses the activity-based as well as resource-based views of strategic competitiveness. We'll further use the composing strategy analogy to articulate the various aspects of strategies in terms of plans, ploys, patterns, positions, perspectives, practices, and psychological perspectives. We'll also examine activity-based as well as resource-based competitive advantages using the composing analogy and illustrate as to what planned/deliberate, emergent, realized, and unrealized strategies are under the composing strategies context. We'll also use the analogy to articulate strategic positions that are force-fit, capacity misfit, design misfit, or myopic fit. The author has used the composing strategies metaphor in strategies classes to help students better understand the strategic management process. The result has been quite encouraging.

In this paper, we make two contributions. First, the composing strategy metaphor can be used to help both strategists and students better understand the strategic management process. Second, the striking resemblance between strategy and music, and strategy making and music composition suggest that further research is necessary. Further research directions will be outlined in the conclusion section of this paper.

The paper proceeds as follows. The definition of strategies and related concepts will be discussed in next section. Mintzberg's crafting strategy analogy for strategic management process along with the notion of planned, deliberate, realized, unrealized, and emergent strategies

will be described in the section that follows. We'll then propose and discuss the composing strategy metaphor. Finally, further research directions will be identified.

Introduction

Strategy has been the subject of much study and research. Strategy is defined, in <http://dictionary.reference.com>, as “the science or art of combining and employing the means of war in planning and directing large military movements and operations.” One of the earliest studies in planning and directing large military operations was *The Art of War*, an ancient Chinese military text. *The Art of War* was written by Sun Tzu (also known as "Sunzi" and "Sun Wu"), a high ranking military general and strategist of the Wu Kingdom, between the Spring and Autumn period and the Warring State period. In the very first chapter of *The Art of War*, Sun Tzu established that strategy was of paramount importance to the nation and it was a matter of either success or defeat and of either life or death, and it was a subject to be analyzed thoroughly.

The key ideas outlined in *The Art of War* are as applicable to business leaders today as it was for military commanders in ancient China. The business environment is not any different from the battlefield. It is imperative for firms to get their strategies right to survive and thrive. In today's fast-paced and global competitive environment with ever increasing customer demand and customer focus, greater attention to customer satisfaction, dynamic business environment, rapid product development, highly compressed product lifecycle, perpetual technological innovation, and magnified product complexity, it is even more important for firms to understand the implication of their strategies and get them right in the first place to set them apart from their competitors to develop their competitive advantages.

So what is Strategy? In reviewing of vast publications on strategic management, there are a variety of views and thoughts on strategies. One of the earlier and classic definitions for strategy was given by Chandler [1] as "The determination of the basic long-term goal and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals." The online dictionary, <http://dictionary.reference.com> also defined strategy as “a plan, method, or series of maneuvers or stratagems for obtaining a specific goal or result: a strategy for getting ahead in the world.” Strategy was described by Quinn [2] as “the pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole.” Based on this definition, Strategy has three key elements: (1) goals to be achieved, (2) policies guiding the actions, and (3) action sequences to reach the goals [2].

Andrews [3] stated that “Corporate strategy is the pattern of decisions that determines and reveals objectives, purposes, goals, produces the principal policies and plans for goal achievement, and defines the range of business a firm is to pursue, the kind of economic or human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities.” According to Andrews, strategies spanned long periods of time and required a significant amount of resources to achieve the expected outcomes [3]. It defined the central character of the company, its image, and its position in its industry and markets [3]. Andrews further noted that certain parts of the pattern rarely changed (for example, a firm's commitment to quality) while other parts changed greatly (for example, a firm's product line) [3].

Rumelt [4] claimed that “the term strategy has been so widely used for difference purposes that it has lost any clearly defined meaning.” For the purpose of evaluating business strategy, Rumelt found strategy to be “a set of objectives, policies, and plans that, taken together,

define the scope of the enterprise and its approach to survival and success” [4]. In other words, the combination of a firm’s objectives, policies, and plans characterized its strategy to compete.

Most people would agree that strategy basically is a roadmap for an organization to identify where it is (assessing a firm’s current situation), where it wants to be (determining a firm’s future position or positions), and how it will get there (formulating the necessary action plans to achieve the goals with the required resources). In this respect, strategy is number of “how to”s. For example, strategy is how to grow your business, how to outperform your competition, how to win customers from your competition, how to proactively respond to the changing business environment, etc. Simply put it, strategy is all about competing.

A closer look at the above definitions of strategy reveals that, although they differ in various aspects, they all have something in common. Specifically, the common thread among the definitions presented above is that they all associate strategy with plan, policy, pattern, or the combination of plan, policy, and pattern. To that end, Mintzberg [5] presented the five definitions of strategy and considered the interrelationships among them. The five definitions of strategy were: (1) strategy as plan, (2) strategy as ploy, (3) strategy as pattern, (4) strategy as position, and (5) strategy as perspective.

Plans were made in advance of the actions to which they applied and were developed consciously and purposefully [5, 6]. Therefore, strategy is intentional and purposefully planned in advance. Strategy entails an intended course of actions. The very first chapter of *The Art of War* was about planning. Sun Tzu warned that war was a matter of either success or defeat and of either life or death and therefore should be carefully planned by understanding and analyzing the five essential elements of war and by considering and responding to the ever-changing environment and conditions.

Mintzberg pointed out that “If strategies can be intended, surely they can also be realized” and proposed that strategy might be a pattern consisting of consistent streams of actions and behavior that could either be intended or unintended [5, 6]. Strategy as plan captured the intentional nature of strategy while strategy as pattern encompassed the resulting behavior of strategy.

Strategy could also be a ploy - a maneuver intended to outwit an opponent or competitor. In this regard, strategy basically is competitive maneuvering or deception [5, 6]. In *The Art of War*, Sun Tzu suggested that all warfare was based on a philosophy of deception. Sun Tzu maintained that to win a hundred battles was not the height of skill; to subdue the enemy without fighting was. Essentially, it is wiser to out-wit than out-fight. Mintzberg contended that while ploy could be a strategy, it was not necessarily strategic as it was not of overriding significance [6].

Strategy as a position is about locating or placing an organization in a specific environment. With this definition, strategy became the mediating force or match between an organization (internal context) and its environment (external context) [5, 6]. A position might be pre-selected and sought through a plan. A position might also be an after-thought and reached or found through a pattern of behavior [5, 6].

Porter [7] also saw strategy as a position and offered the activity-based view of competitive advantages. Porter mentioned that strategy was about creating a unique and valuable position involving the system of activities firms performed. It was also about creating a fit among the set of activities. In other words, it was about hard-to-imitate value creation. Barney agreed with Porter that hard-to-imitate value constituted competitive advantages. However, Barney explained it in terms of the resources a firm deployed (resource-based view)

instead of the systems of activities firms performed [8]. Barney further explained that valuable, rare, and hard-to-imitate resources were pivotal for resource-based competitive advantages.

While strategy as a position attempted to locate an organization in the external environment, strategy as perspective turned inside and looked into the heads of the strategists for their ingrained way of perceiving the world [5, 6]. According to Mintzberg, strategy in this respect was an organization's personality similar to that of an individual and was shared by members of an organization through their intentions and/or by their actions [5, 6].

Sun Tzu also emphasized the importance of positioning in military strategy. Sun Tzu advised that positioning should not merely be based on the terrain, the physical features as well as the non-physical attributes of the battlefield, and its surrounding environment. It should also include subjective perspectives of the opposing side.

Subsequently, strategy had been associated with other P-words, in particular, strategy as practice. Tovstiga pointed out that "strategy may look impressive on paper, but it was in the practice field that it fulfills its ultimate purpose" [9]. Therefore, strategy was after the fact in the sense that it attained meaning only in the practice field [9].

In [5], Mintzberg further explored the relationships among the five Ps of strategy. The five Ps of strategy could be viewed as different dimensions or shades of strategies with each adding important elements to the understanding of strategy. They competed but at the same time complemented each other. No single definition took precedence over others. Mintzberg [5] articulated that plans were intended for the future while patterns were formed out of past actions and behaviors. Patterns might be recognized and evolved into formal plans, perhaps within an overall perspective. On the other hand, perspective might be a plan, might result from longstanding patterns, or might be transformed into a plan.

Crafting Strategies

The discussions above revealed that early definitions associated strategies with planning. However, how strategies are supposed to be made or planned is quite different from how strategies are actually formulated. There are a few "school of thoughts" on the strategic management process.

Mintzberg [5, 10] explained that since plans were intended for the future, they represented intended strategies. However, intended strategies might not be realized leading to unrealized strategies. Deliberate strategies were those intended strategies that were realized. On the other hand, patterns were formed out of past actions and behaviors and thus depicting realized strategies. Yet, patterns could be unintentional resulting in emergent strategies or be intentional giving rise to deliberating strategies.

In his McKinsey prize winning paper, *Crafting Strategies*, Mintzberg stated that "the planning image, long popular in the literature, distorts strategic processes and thereby misguides organizations that embrace it" [10]. According to Mintzberg, the planning strategy image brought to mind an orderly process where a firm's senior management team gathered together and formulated the firm's courses of actions by systematically analyzing the external as well as the internal environment, its strength and weakness, etc. The combination of these analyses produced clear, explicit, full-blown strategies that everyone in the organization would then implement on schedule [10].

Mintzberg contended that "the crafting image better captures the process by which effective strategies come to be" [10]. In reality, there was no such thing as purely deliberate or planned strategy since no one had the crystal ball to foresee everything in advance. Similarly,

there was no such thing as a purely emergent strategy either since no one was flexible enough to leave everything to chances and gave up all the control [10]. Mintzberg [6] viewed strategy management process along a continuum that ran from purely deliberate strategies to purely emergent strategies. Real-world strategies fell somewhere in between and might have been planned and formulated deliberately and explicitly via a structured process but became emergent implicitly in reaction to the changing environment and market forces.

In Mintzberg's crafting strategy metaphor [10], strategists were potters while managers were craftsmen and strategy was their clay. A potter sat before a lump of clay (strategy). She sat between a past of corporate capabilities and a future of market opportunities and knew exactly what had worked before and what hadn't worked before. She had an intimate knowledge of the materials at hand, the potential product and course of the organization, her capabilities, and markets. She didn't think first and then acted. Instead, with her past experience in her mind and hands, she sensed rather than analyzed. Her mind and hands worked in tandem as the product emerged. In the process, errors became opportunities and limitations stimulated creativity. Consequently, new product ideas emerged.

Therefore, managers who crafted strategy would not spend too much time in their offices thinking and analyzing first and then formulating and implementing. Just like potters, they were involved and their minds and hands worked in tandem. Effective strategies emerged gradually through their experiences and their responses to uncertainty and constant changes in the environment. Often times, strategies were stumbled upon.

Composing Strategy

In this section, the *composing* strategy metaphor is proposed for the strategic management and creation process. We submit that composing strategy captures the actual strategic process even better than the crafting strategies. Specifically, composing strategy further extends the crafting image into the context of an organization of many where strategies are implemented and are either realized or unrealized. It also encompasses the activity-based as well as resource-based views of strategic competitiveness. Furthermore, we'll use composing strategy analogy to articulate the various aspects of strategies in terms of plans, ploys, patterns, positions, perspectives, and practices. We'll also explain and illustrate as to what planned/deliberate, emergent, realized, and unrealized strategies are under the composing strategies context. We'll also use the analogy to articulate strategic positions that are force-fit, capacity misfit, design misfit, or myopic fit.

Figure I: Composing strategy



In light of the composing strategy metaphor, strategists are composers while strategy is the music that is to be composed. As shown in Figure I, the composer understands as to what compositions have succeeded and have been well received and what have not. At the same time, he is cognizant of the current trend in terms of techniques, musical patterns, etc. The composer possesses pertinent knowledge of the orchestra and all the musical instruments (e.g., the organization and its resources and capabilities). The analogy becomes even more fitting if the composer is a Composer-in-Residence. In this case, the Composer-in-Residence has intimate knowledge and information about the organization and knows its conductors, musicians, strength, and weakness.

Just like potters, equipped with all the above mentioned knowledge and skills, composers' minds and hands work together simultaneously. Sometimes composers even actually "test" their compositions by trying out specific notes, chords, patterns, and musical passages on musical instruments. In the process, to borrow from the crafting strategies analogy, errors become opportunities while limitations stimulate creativities. Consequently, new ideas emerge and successful compositions (effective products and services) come to fruition. Often times, brilliant musical pieces are the result of trials and errors.

There is a striking similarity and close relationship between music and strategy. First of all, music (i.e., strategy in the composing strategy metaphor) basically is a detailed plan to be played out (i.e., executed) from the beginning to the end according to the established melody, rhythm, dynamics, tempo, etc. (i.e., prescribed course of action).

Music is also a sequence of patterns. The most primitive music pattern probably is pulse – checking a person's heart beats clearly reveals a rhythmic pulse pattern. Within the context of music composition, the pulses are grouped according to time signatures that specify the number

of beats in each measure. Therefore, music is a pattern consisting of steady streams of undifferentiated beats occurring in repeating units of time.

Moving further on the complexity ladder, each beat in a pattern could be a different pitch. Each pitch is shown by its position or placement on the five-line music notation. In addition, the pattern consists of chords combinations, structures, and chord progressions. Thus, a music composition places an orchestra (i.e., organization) and its various instruments and instrument players (i.e., resources) in a specific range (i.e., environment).

Furthermore, the succession of beats overlaid by the combinations of pitch and rhythm forms melodies. Melody reflects the personality of the composer (i.e., strategies) while the way the melody is played and its associated tone characterize the personality of the orchestra (i.e., organization) and its players (i.e., resources). In this regard, therefore, music represents a perspective.

Music as practice makes perfect sense. It doesn't matter how impressive a piece of music composition looks on paper, it is the actual performance that fulfills its purpose. Finally, music as a ploy probably is about wits planted inside music.

Composing music involves science, techniques, art, and craftsmanship. Similarly, successful and effective strategies require the combinations of all those aspects as well. It should be apparent that, based on the above discussion, music is a plan, a pattern, a position, a perspective, a practice, and perhaps also a ploy. Therefore, based on our analogy, strategies entail the characteristics associated with plan, pattern, position, perspective, practice and ploy all together.

Music compositions could be created with a clear purpose and plan. So music (i.e., strategies) could be planned and deliberate. In this case, a composer sets forth a detailed plan with respect to its structure, style, and format in advanced. On the other hand, an impromptu is improvised spontaneously without intentional planning. In other words, music can be created explicitly or take shape implicitly. It has been pointed out in the previous discussion that music is a pattern consisting of steady streams of recurring beats. Some parts of this recurring pattern such as the time signature are intentional and deliberate. For example, a waltz has the time signature of 3/4. Conversely, other parts of the pattern most likely evolve. For instance, elements such as melody, rhythm, dynamics, and tempo are interweaved and evolve together to complement one another. On the other hand, patterns such as melodies may evolve into an overall plan and fit into an overall structure. Therefore, music (i.e. strategies) could also evolve.

Music compositions are meant to be performed. Each orchestra is different and unique with respect to its conductors, musicians, and instruments. How well an orchestra performs is heavily dependent up how well the musicians of the orchestra work together to create hard-to-imitate activities reflecting the unique and exceptional way they play. This exhibits the activity-based view of competitive advantage. How well an orchestra performs is also determined by the hard-to-imitate resources, for example, world-class musicians playing with the finest musical instruments. This is resource-based competitive advantages.

The same piece of music composition may be represented and performed differently by different orchestras resulting in different outcomes. A successful performance symbolizes an organization's successful implementation of its strategy (i.e., pursued and realized). On the contrary, an unsuccessful performance denotes an organization's failure in executing its strategies (i.e., pursued but unrealized). Notice that the failure could be caused by a misfit between a strategy and its organization. For example, a music piece composed for the western classical orchestra played by a folk music orchestra! A music composition (strategy) can emerge

when it's been formulated. It can also emerge when it's being implemented. The above discussion is captured in Figure II.

Figure II: Planned, deliberate, realized, unrealized, and emergent strategies

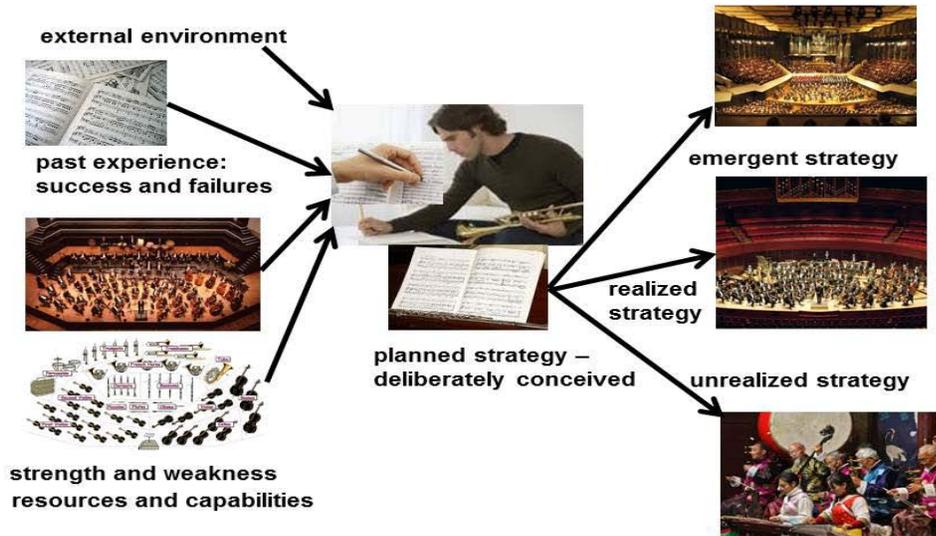
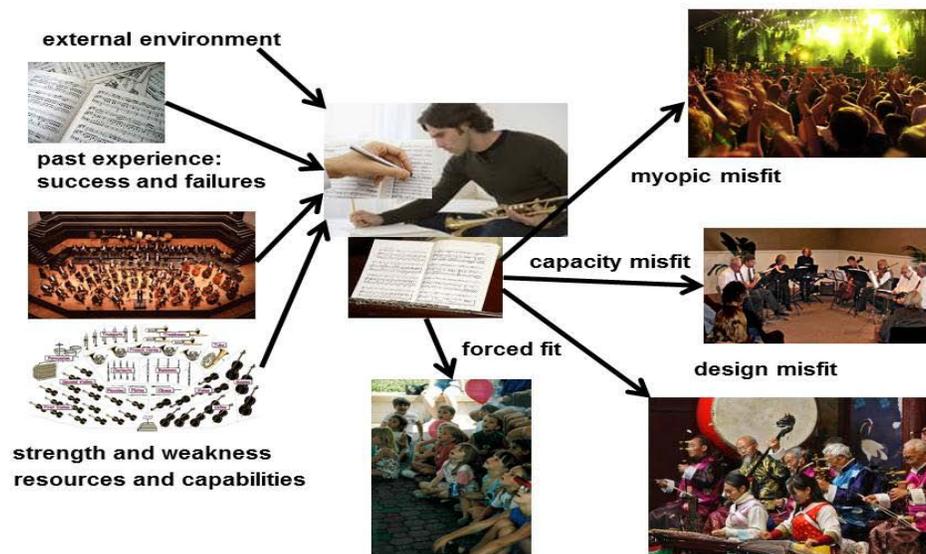


Figure III articulates strategic positions that are forced-fit, capacity misfit, design misfit, or myopic fit. First of all, it is a myopic misfit if one tries to compose a classical music piece for rock music lovers in hopes that it would be greatly appreciated. It is a capacity misfit if one composes a grand classical musical piece requiring a full-scale orchestra for an orchestra consisting of just a few players. On the other hand, it is a design misfit if a composer composes a western classical music piece for a folk music band. Finally, it is a forced fit if the audience is neither mature enough nor well-prepared to comprehend the music.

Figure III: Forced-fit, capacity misfit, design misfit, or myopic fit



Conclusion

In this paper, the *composing* strategy metaphor is proposed for the strategic management and creation process. We submit that composing strategy better captures the strategic process than craft strategy and further expands the crafting strategy metaphor in several dimensions as discussed on the previous section. The author has used the composing strategies metaphor in strategies classes to help students better understand the strategic management process. The result has been quite encouraging.

It was pointed out by Greiner and Cummings [11] that treating strategy as an independent subject and simply addressing it as it was a separate property of the organization was too idealistic. Strategy had to be considered with everything else occurring in and around the organization. Composing Strategy extends the crafting image into the organization context. Furthermore, it encompasses the activity-based as well as resource-based views of strategic competitiveness.

One of the trends in today's management practice is employee empowerment. In the context of orchestras, all musicians of an orchestra must focus on the same piece of music and stay on the same beat to ensure successful performances. Similarly, all employees of an organization must understand their organization's strategy to bring it to fruition.

Greiner and Cummings [11] remarked that the implementation of strategy ought to be a continuous process of translating the strategy into immediate and relevant actions adjusted constantly to fit changing conditions. Indeed, musicians translates musical notes (strategy details) into immediate and relevant actions (implementations) adjusted based on the environment as well as any unforeseeable circumstances.

Both the activity-based view and the resource-based view of strategy stress the importance of being different and unique. Composing music fits perfectly with this contention – a successful composition (strategy) needs to be different and unique in the first place.

Sometimes it is necessary to create a fit between a firm's strategy and its resources and capability via realignment. Many times, an orchestras rearranges it formation, layout, number

of musicians and instrument, and the type of instruments based on type of music (strategy) played.

The resemblance between strategy and music, and strategy making and music composition is astonishing. Mintzberg [5] noted that no one had ever seen a strategy or touched one - every strategy was an invention and a figment of someone's imagination. This is especially true for music. Music is not meant to be "seen". It is meant to be heard and imaged. This paper has just scratched the surface and there is still a lot more to be researched and learnt. To name a few: (1) does the process of composing music having anything in common with the process of strategy making? (2) Is creativity in music readily applicable to creativity in strategy? (3) If the answer to question #2 above is yes, then how? (4) How did those great composers come up with so many brilliant compositions (strategies) and passages using just a small number of notes? (5) Can strategy making learn from music composition and create innovative strategies based on differentiation, cost leadership, and response competitive strategies? (6) How did the mind of composers work when specific passages were strategically "placed" within the entire music? (7) How does the mind of composers work when they compose music? Do they "hear" the positions and perspectives in their heads? Do they visualize the patterns? (8) Can the composing strategy metaphor help business leaders not lose sight of the trees (individual music notes) for the forest (the entire piece)?

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