The foundation of strategy

Anastássios Perdicoúlis

Assistant Professor, ECT, UTAD (http://www.tasso.utad.pt)
Senior Researcher, CITTA, FEUP (http://www.fe.up.pt/~tasso)
Visiting Researcher, Oxford Institute for Sustainable Development, OBU, UK

Abstract

The methodic conception of strategy requires structured reasoning, preferably based on the unequivocal understanding or perception of the system of interest. This includes not only factors considered important, but also the causal relations between them, plus mark-up that relates the system to the common intents of the stakeholders.

1 Introduction

Coming up with a strategy may be a daunting task for those who do not practise on a regular basis. The ubiquitous SWOT analysis (Perdicoúlis, 2010, pp.38–39) identifies the most important factors, but the numerous ways in which these can be related often create more confusion than offer assistance. So, how does one proceed from a set of identified factors towards a strategy?

2 Factors and relations

The first step towards *methodic* strategy making is the explicit establishment of the relations between the identified factors. Each mental model represents a particular reasoning, and there may be many different alternatives in each case — possibly more than one per stakeholder. Hence, the factors linked by causal relations constitute a 'reverse blueprint' (Perdicoúlis, 2011) that — in whole or in part — must be sought in the minds of the stakeholders (e.g. administrators, employees, clients) according to their knowledge, experience, perception, wish, or ideals.

The assembly of a common blueprint may be achieved collaboratively, or even through negotiation among the stakeholders, and must be marked-up in relation to the concerns, objectives, or actions that the stakeholders consider relevant and important. Figure 1 provides an example of such a reverse blueprint referring to an abstracted case of a university school with a mission to '*prepare ingenious problem-solvers capable of producing, advancing, and administering technology*'.
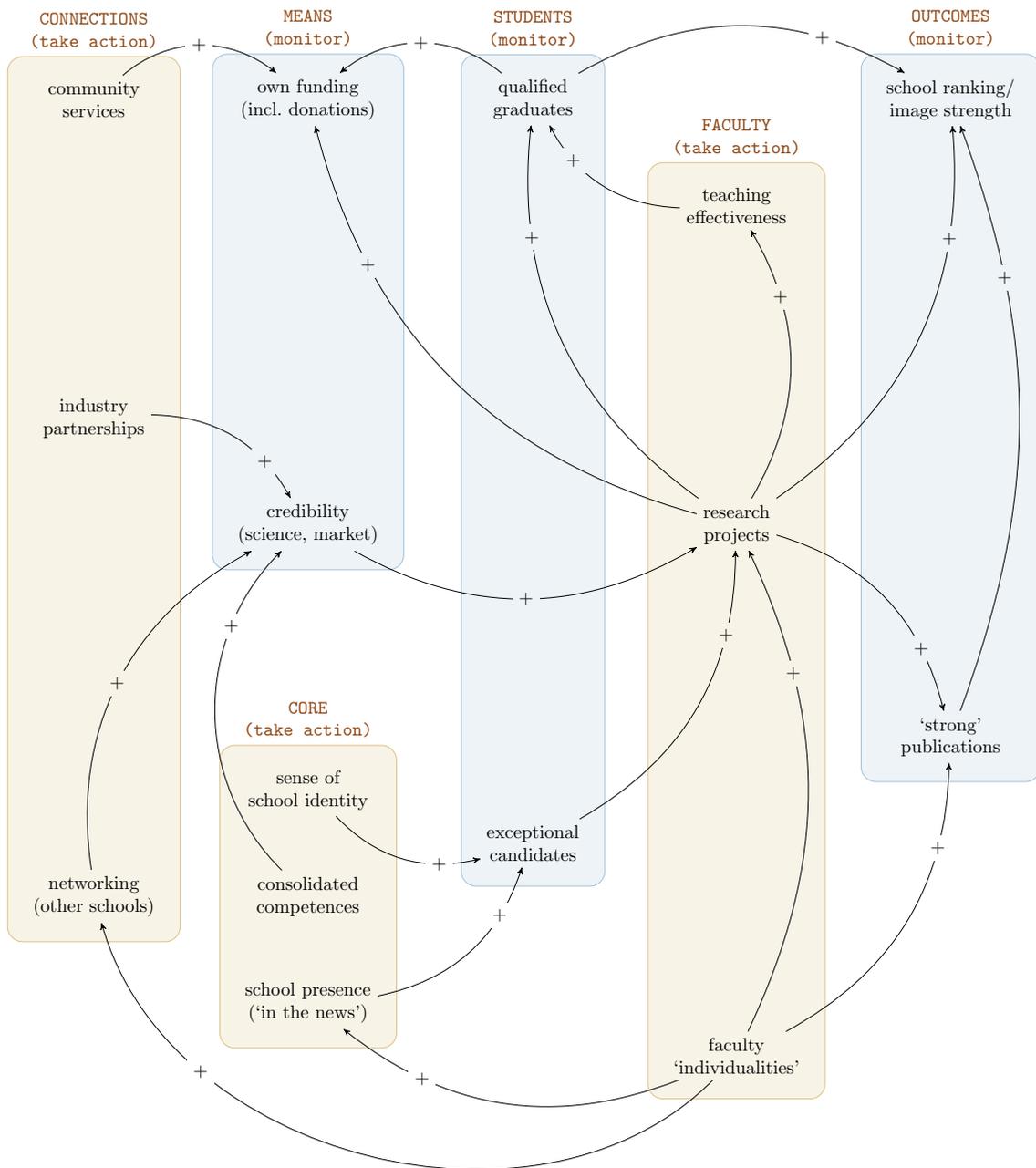
3   The system

FIGURE 1   Reverse blueprint (RBP) of a university school, representing key factors, their causal relations, and mark-up from the perspective of the administration

The reverse blueprint of Figure 1 has the same function as a 'strategy board' or 'graphic SWOT' (Perdicoúlis, 2012), in the sense that it (a) gathers the most important and relevant factors, and (b) establishes causal relations between them, as deemed appropriate by the stakeholders. However, the mark-up in the particular example is somewhat more generic or aggregated than the typical tripartite 'XYZ' problem definition (Perdicoúlis, 2010, pp.57–65). In this case, the diagram indicates sets of factors that should be monitored, or where action should be taken.

4   Discussion

Constituting the foundation of strategy, reverse blueprints contain key information about how the system is composed (structure) and how it works (function). Figure 1 represents a single perspective, which could be either an initial working proposal or a consensus model. A new version of the RBP is likely to evolve through further elaboration, but it is important to appreciate that such models represent arguments, and are fine-tuned or perfected as much as any other argument — for instance, those encountered in text or speech.

There are several ways of proceeding with the information captured in the reverse blueprint. One way, for instance, is to add more detail and then assign concerns, objectives, and implementable actions — i.e. the 'XYZ' model of the planning problem. Another way is to split the blueprint into themes or jurisdictions (e.g. external links, core governance) and let the respective teams define 'sub-problems' — with or without the obligation to check for coherence among them. And yet another way is to conceive the strategy at this high level of aggregation, without providing any more detail. The ways of creating strategy on top of the foundation blueprint constitute personal or group choices, and are influenced by cultural or personal styles.

5   Conclusion

The relations between the important factors of a system of interest create a model of perception and/ or understanding, which can be discussed and perfected among stakeholders. Mark-up on this reverse blueprint gives valuable indications for the conception of strategy, in the sense of what should be done and for which purpose.

References

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