

FOREWORD BY STEVEN HAINES
Author of The Product Manager's Desk Reference

CREATIVE STRATEGY Generation

Using Passion and Creativity
to Compose Business Strategies That
Inspire Action and Growth



**BOB
CAPORALE**

Praise for *Creative Strategy Generation*

“Mixing traditional marketing acumen and understanding with the creative process of songwriting, Bob encapsulates how the two worlds of business and music can provide the storytelling tools that help shape a solid business strategy. This book is incredibly informational and entertaining to see the parallels between art and the fundamentals of business.”

Bill Richards, VP Marketing, Sony Music Entertainment

“Caporale effectively invokes the mindset and language of the artist—the canvas, melodies, and story arcs—to create a highly practical toolkit that will be especially useful for practitioners looking to compose product and business unit-level strategy.”

Sean Gallagher, Chief Strategy Officer,
Northeastern University Global Network

“*Creative Strategy Generation* provides a fresh new look at the topic of strategy. Using his passion for music as the starting point, Bob Caporale provides us with a step-by-step guide for infusing much-needed creativity into the strategic planning process. A must-read for anyone seeking to add more value to their products or brands!”

John Gerzema, *New York Times* bestselling author,
social strategist, and leadership consultant

“Bob Caporale composes a book on strategy that is influenced by and extends classic strategic frameworks by infusing his own passion to create an easily accessible read that will be sure to have you singing along!”

Kevin D. Rooney, former Chief Strategy Officer,
American Access Casualty Co.

“I worked in Product Management and Strategy for most of my career, and I wish I had this book to revert back to during annual planning meetings and product launches. Bob has laid out strategy planning in a very easy to follow storybook. I know I will share this methodology with my colleagues and can’t wait to use it for my next strategy plan!”

Cheryl Nash, President, Fiserv Investment Services

“Mr. Caporale presents a compelling model, blending the expressiveness of art with the objectivity of strategy. A thought-provoking approach, keeping the customer perspective in the forefront and providing a dose of reality throughout.”

Steve Thompson, VP Business Strategy, National Oilwell Varco

“As a founder of a high-growth start-up with no preexisting roadmap to follow, I appreciate the way that Bob demystifies the strategy process and gives us specific and practical tools for creating our own unique product and market strategies. Most strategy books point to high-profile success stories and try to extract common themes for us to follow. But every success story contains a complex mix of ingredients that are hard to “bottle” for others to repeat. Bob’s process doesn’t rely upon the past but, rather, gives business practitioners real tools for building their own paths to success.”

Aaron Gowell, Chief Conductor, SilverRail Tech

“This book is music to my ears. It’s a great way for members of the C-suite to help their teams develop their own symphonies of success! Bravo!”

Jeffrey Hayzlett, primetime TV & radio host, keynote speaker,
and bestselling author

“Bob Caporale has greatly solidified his reputation as a ‘master strategist!’ In *Creative Strategy Generation*, he utilizes his musical experience, talent, and insight to artfully craft a work that will resonate with simplicity, clarity, and meaning for the thousands of practitioners who will seek and find this book for what it is—truly a gift!”

J. Barry Minatra, VP Business Development—North America,
Larsen & Toubro Ltd.

“Bob Caporale’s *Creative Strategy Generation* reminds us that we are, first and foremost, creative beings. This book is a practical and insightful guide on how to tap into the artistic process in order to create strategic plans that are true works of art.”

Tania Castroverde Moskalenko, President and CEO,
The Center for the Performing Arts

“Caporale’s latest work injects a refreshing and innovative twist to the process of developing business strategy. Through his impressively comprehensive comparison of music composition to business strategy development, Caporale makes a strong case for the necessity of moving beyond technical analysis and reaching deep for creative inspiration and improvisation to achieve the greatest business impact. For anyone who has ever picked up a musical instrument or simply enjoyed a memorable song, Caporale’s analogies will indelibly link the art and science of quality musical creation to that of transformational business strategy.”

Gerry Caron, Vice President of
Innovation and Product Management, OtterBox

“*Creative Strategy Generation* is a much-needed breath of fresh air. Applying the tools and constructs of music, storytelling, and other elements of artistic process sheds new light on what strategy development can mean in an organization. Product managers will embrace the practicality of the tools but, moreover, realize that creativity is something we all possess and can tap into.”

Randy L. Rossi, President, Bally Design Inc.

“Bob offers his personal perspective and coaching on creating a strategy, a subject that too often is focused on logic over experience and intuition. *Creative Strategy Generation* is easy to understand, yet covers critical topics and key frameworks that everyone, especially those new to strategy, will benefit from reading.”

Thomas Agan, Managing Partner, Rivia LLC

“Strategic planning doesn’t come easy to most. By overlaying his teachings with a musical theme, Bob is able to help people more easily comprehend the nuances of strategic thinking. This very balanced book respectfully reviews and brings a new perspective to a wide range of classical strategy planning techniques. Combining that with a new end-to-end framework, one comes away with a renewed understanding and approach for developing a strategy.”

Jon Prial, Georgian Partners

CREATIVE STRATEGY GENERATION

USING PASSION AND CREATIVITY TO COMPOSE BUSINESS
STRATEGIES THAT INSPIRE ACTION AND GROWTH

BOB CAPORALE



**New York Chicago San Francisco Athens London
Madrid Mexico City Milan New Delhi
Singapore Sydney Toronto**

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This book is dedicated to every mentor that I have ever had, including bosses, colleagues, family, friends, team members, suppliers, customers, and even a few passing acquaintances. I have learned something from each one of you and continue to do so every day of my life.

I would also like to dedicate this book to my brother, Anthony, who taught me not to be afraid to “drop the bike.”

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FOREWORD

It's an honor and a privilege to write this Foreword. My goal for this is to inspire you to embrace this book and its content. My hope is that it will be a faithful companion and resource for business practitioners, strategists, product managers, and others who will craft various strategies in their careers.

Bob and I have worked together for about five years. He started out as a client at Sequent Learning Networks and now serves as the company's president. When he first started at Sequent, I couldn't help notice what he was up to. First, he purposefully connected with everyone to understand what they did, how, and with whom. Next, he carefully looked at what we did as a company: operations, sales, marketing, finance, and so on. He examined the financials and evaluated our competitors. His hunger for information seemed insatiable. In a nutshell, Bob was listening to the drumbeat of our business. He wanted to get his mind around where we were and where we were going. While my vision was clear to me, it needed some fine-tuning. What we have now is a greatly unified vision for our company, a clear strategy, and the wherewithal to execute.

I worked in the corporate world for decades, in finance, operations, and product management. I started Sequent Learning Networks in 2002 to help companies organize more effectively so they could produce the products that customers would clamor for. Over the years, I've benchmarked hundreds of large, complex firms. One of the consistent findings from this research reveals that a large number of people who work in these firms, who should be able to articulate the strategy for the firms in which they work, cannot. This dissonance is reinforced in findings from the diagnostics I carry out. In these evaluations, I often seek to learn how product people and other business professionals defend their investments. To do this, I ask, "What do you do to ensure that your investments are strategically important?" In more cases than not, people (regardless of function) cannot answer this question. This is quite troubling.

Given the number of great strategy books and other resources available, one would think that strategy formulation should be a cinch. With this, shouldn't everyone in the organization be able to march to the beat of the same drummer? It's logical, but not the reality.

In his genes Bob Caporale is a business strategist. He's also a musician and composer. His successes in all aspects of his life are directly attributable to this uncanny ability to tie together his creative self and his rational self. In that bridge between those two worlds, he's discovered how to connect disparate pieces of what is often a complex puzzle. These could be parts of a musical composition or parts of an organization. The main idea is that he seeks to create harmony. In a business, it's a hard thing to do. Yet he does so with aplomb.

What he's done with this book is to extend this gift to business practitioners who can learn by example. When they do, they can then teach other people, and by association, become better leaders.

The chapters in the book relate directly to what's done to compose music. I can safely say now that I "get it," because when I started I knew nothing about musical composition. As I studied the content and how things were connected, I was able to see things more holistically. It was then that I realized that strategic planning and strategy formulation can be made much easier when they are broken down into easy-to-digest pieces, and then reassembled to put the big picture back into perspective! Then I realized that what Bob did in the book is what he did with Sequent Learning Networks and what he's done with the numerous clients, leadership teams, and individuals he's taught.

Bob Caporale, in *Creative Strategy Generation*, has created a work of art that business practitioners and organizational leaders can use to demystify and simplify their approach to strategic planning. The benefits will be apparent: clear vision to the future and the ability to harmonize resources that ultimately produce optimal outcomes and the encores you strive for.

Steven Haines
Author of *The Product Manager's Desk Reference*

INTRODUCTION

I am a business strategist. I'm not sure if such a thing officially exists, but I do know that this is exactly what I have spent most of my career doing. I am not a professor or a well-studied scholar or the CEO of a large corporation. I develop strategies for products, portfolios, and business units, and I have done so for over 20 years, many times over. These days, I spend most of my time advising and training other practitioners about how to develop these types of strategies. And it is exactly from this position that I felt I needed to write this book.

There are plenty of resources available for corporate-level strategists. There are, however, far fewer resources available for the thousands of product managers, marketing professionals, and other business unit-level strategists who are tasked with developing and implementing strategies, while being continually reminded that they may not have the training, knowledge, tools, or time to do so. Ironically, this is where the majority of business strategies reside. Yet this is also where the biggest gap seems to exist between strategic theory and strategic practice.

Most of the books I've read about business strategy seem to approach the topic from one of two main directions. In the first corner is the academic approach. Here, the reader is usually presented with a series of observational case studies of companies that have successfully developed and implemented strategies. From these case studies authors attempt to deconstruct the thought process behind the strategies, and from these analyses they develop frameworks that can be followed by others.

In the second corner is the consultative approach. This is usually undertaken by a person or group of people who have served as consultants for companies and who have actually helped those companies develop and implement their strategies. Books written from this perspective usually start out by putting down the academic approach as being too theoretical or not practical enough. And so they march forward drawing from their very specific experiences with a handful of very specific companies, to derive theories that may or may not apply on a broader scale.

And maybe there's a third corner somewhere in between the first two in which a high-level business executive (usually a CEO of a big corporation) writes about his or her own experiences with developing

and implementing a strategy for a very large enterprise. This approach is usually very interesting and insightful to anyone who is familiar with the company in question. But it may not be applicable to someone who sits below the highest levels of his or her own company and who is tasked with developing strategies for a product line, portfolio, or another functional area of a business.

Please understand that I am not putting down any of these approaches, because I truly believe that they all have merit in that they can inspire new ways to think, feel, and act. So how can that be a bad thing? But I do feel that there's a fourth, perhaps as of yet untapped, corner that can still be explored.

All of the aforementioned three approaches seem to be directed at senior-level leaders who are tasked with applying broad strategic concepts across complex organizations. The examples and cases that are presented are usually of large companies that overcame major macro-level obstacles to arrive at whatever level of success they ultimately achieved, and the resulting strategies are usually backed by deep pockets and very high levels of authority. It is for this reason, I believe, that practitioners of what I'll call the more "functional" strategies within an organization might have trouble relating to these approaches. And so the lessons that they teach may fall somewhat short of connecting with a broader audience of strategic practitioners.

The other problem with these strategic approaches is that they often rely heavily on showing people how to imitate what another company already successfully executed. And although the execution of these strategies is often analyzed (and perhaps overanalyzed) in depth, the reader is usually still left asking questions about how they were conceived in the first place. What were people at these companies thinking? How did they come up with their strategic ideas? What exactly was going on in their heads, not in hindsight, but at the moment their strategies were conceived? These are difficult questions to address, and so they are often left unanswered.

Ironically, the answer to these questions lies at the very heart of how we should be teaching strategy to the people who are actually responsible for creating it. When we instruct people how to imitate, we get a collection of mediocre plans, developed by semi-interested strategists who fill in required templates on an annual basis just because their bosses told them to. Unfortunately the strategic results follow in kind.

If this sounds anything like what you or your teams are experiencing, then this "fourth-corner" book is for you.

If you want to understand what drives a person to develop and execute a truly great strategy, you have to first see that the process of

building a strategy is not an academic or imitative endeavor—it is a creative one. The difference, in my mind at least, is that an academic endeavor is undertaken for a “grade,” which is largely based on your ability to re-create or regurgitate that which is already known or has already been done. A creative endeavor, on the other hand, is aimed at producing something truly unique and different, and that is based largely on the creator’s passion to change the world, even if in some small way.

When you’re developing a strategy because you’ve been told you have to and, worse, you’ve been told that it needs to look like something that has already been done before, that’s just another form of a “grade.” But if you develop a strategy because you truly love the journey, you passionately care about the result, and you’re willing to break a few of the established rules to achieve your goal, then you’ve entered the realm of creativity. That’s where most successful strategies reside, and that’s where the teaching needs to begin.

I indicated earlier that I’ve been developing successful strategies for most of my career. What I didn’t tell you is that I have also been writing music for a good part of my life and that I consider myself to be both a composer and a songwriter. Although this is by no means my full-time job, I do have five independently released albums, several corporate video soundtracks, and even a full-length musical to my name. I write music because I love to do so. I love sitting down at the piano and turning my emotion into a musical idea; I love capturing that idea into a recording; I love adding different musical parts and instruments to turn the idea into a song; I love listening to the finished piece and reliving the emotion I felt when I wrote it; I love sharing that song with others; and I love the effect it has when it is being listened to and enjoyed. I love the entire journey—and that’s why I do it.

Believe it or not, I feel exactly the same way about developing strategies. And the success I’ve had with both developing strategies and teaching others how to do the same has come from applying the same creative process that I use to write music. In this way, I like to say that I *compose* my strategies rather than develop them. It might sound like a subtle semantic difference, but as you’ll see throughout this book, it’s an important one, if only to continually remind myself of the parallels.

So this book is about correlating the very creative process of writing music with the equally creative process of composing strategies. It is a highly personal account, and you will undoubtedly see that throughout. But to focus on *my* process would be missing the point. What I am really hoping to do by using this metaphor is to encourage you to find and apply *your own* creative process to the art of strategic planning. All

of us are creative beings, whether that creativity displays itself through music, art, writing, performance, business, or science. The trick is to find whatever it is that you are passionate about creating and apply that same process to your business strategies. I'll show you how to do it using my passion, but if in so doing I inspire you to find your own creative metaphor, I'll be just about the happiest author on the planet!

It's at this point that I want to set expectations about what this book is, and what it isn't, as well as who I am and who I am not.

First of all, although I was a fairly good student, I tend to be a much more tactile learner. That is to say, I learn by doing and practicing and feeling my way through things. As a result, I have taken the same intuitive approach to writing this book. The process that I will share with you has been validated many times over; some through my own strategic successes, some through the successes of the hundreds of managers and marketers to whom I have taught these techniques throughout my career, and some through the training and advisory company that I run with my esteemed colleague Steven Haines, the well-known author of *The Product Manager's Desk Reference*. If you are expecting to find dozens of case studies and examples of large companies that have used this process for their corporate strategies, however, then you've come to the wrong place. See Corners 1 or 2 for that type of approach.

I think my 13-year-old son summed it up best. When I told him that I was doing research for my new book, he replied, "If you're writing a book about Abraham Lincoln, do research. If you're writing a book about strategy, make it up!" Of course, his position was partially based on the fact that he wanted me to take him to the movies that day instead of working on my book. Still, there was a lot of simple truth in his statement. And, although I don't intend to make anything up, I will definitely be sharing more perspective than research because, at least in my opinion, that's where I believe successful strategy comes from.

Second, since much of what I will write about is based on my own experiences and observations, I have tried to include as many examples as I can of everyday practitioners applying this creative process to the business of developing functional strategies. Some of these examples are hypothetical, others are accounts of real companies or situations that I have encountered or observed, and still others are a hybrid between the two. In all cases, I have attempted to ground the concepts that I am presenting in real-life scenarios so that you will be better able to relate to and apply them into your own particular situations.

Finally I want to say that I am not writing a book just for the sake of seeing my name in print; in fact, quite the opposite. Quite frankly, I am terrified at the thought of putting myself "out there" for all to criticize.

But the reason I'm fighting through that fear is because I really feel there is a need, and I also feel that I can help. The fact is, I currently spend most of my time going into large international corporations and teaching these techniques to highly skilled, very experienced, very intelligent individuals who simply do not know how to put together a strategy. They've read all the books, and many have graduated with honors from highly acclaimed MBA programs from around the globe. Even so, they seem to struggle with really being able to get their hands around this subject. Many of these individuals are in marketing or product management positions within their companies, and because of that they are expected to be able to develop clear and actionable strategies for the businesses that they support. Many more are business unit leaders or general managers who, although they may have a harder time admitting it, struggle with exactly the same thing. I help them, and lights go on. And I want to try to share this with you as well.

One more little qualifier before we get started: if, by way of my Introduction, you're expecting a book that ignores all of the previous strategic theories and encourages radical free thought, you may be sorely disappointed. One of the reasons that I like the songwriting analogy so much is that music is based on hundreds of years of standardized theory, frameworks, and styles that every great songwriter must have in his or her toolbox. The creativity doesn't come from ignoring these things but rather from using and applying them in unique and different ways. This is also true of strategic theory. Throughout this book, not only will I be referring to many of these standardized strategic tools, I will also be letting you know about their origins, why they came to be, and how they are most commonly applied. My hope in doing this is to give you the most comprehensive toolbox possible that you can utilize in your creative strategic process. Again, we do not want to ignore hundreds of years of theory; we simply want to apply it in new and different ways.

With all of that said, I cannot teach you how to be creative. What I can do is teach you how to tap into the creativity that you are innately born with but perhaps didn't know you had. I can teach you how to find your passion in the strategic process by correlating it to something you truly care about and believe in and love. As much as it's been written about, the subject of strategy still seems to elude so many people. But it's not in the theory; it's in the application. And I intend to help bridge that gap through this book.

So please join me as we explore the wonderful, fascinating art of creative strategy generation.

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There are not more than five musical notes, yet the combinations of these five give rise to more melodies than can ever be heard.

—Sun Tzu, *The Art of War*

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PART 1

PROFICIENCIES

INTRODUCTION

Everything we create, no matter the genre or application, will contain two basic elements: inputs and outputs. In the simplest of terms, you take some amount of raw material (the input) and then you apply some process or processes to that material in order to create something different from what you started with (the output).

Strategy is no different. There will be inputs to your strategy, and there will be outputs. The inputs will generally be where you are now and where you've been before; the outputs will generally be where you're going and how you want to get there. Classic strategic theory has challenged us with these very questions:

- Where are we now?
- Where have we been?
- Where do we want to go?
- How are we going to get there?

Four simple questions to answer, the culmination of which will form your strategic plan. That sounds simple enough. So what's the catch?

The first catch is that, although developing a strategic plan is a process, you will need to be able to think creatively in order to get an output from this process that is truly unique. I'll tackle this subject in depth in Part 2 of this book as I step through the process of creative strategy generation.

Before I address this first catch, however, I need to address the second, which is that you're going to have to take a bit of time to build your strategic skills before you just jump into the business of developing a strategic plan. Few people can simply walk up to a piano and start writing a song. Before you jump right in, you need to take a little time to study music theory, find out how the instrument works, and learn to develop your "ear" for how certain feelings can be expressed through sound and music. The same can be said for developing a strategy, although it seems that far fewer people actually take the time to build their critical strategic skills before attempting, right out of the gate, to put together a strategic plan.

You might be thinking that the skills I'm talking about stem from classic strategic theory: the kind that people are often taught about in business school. In my view, that's only one part of the puzzle.

The academic part of strategy is all about looking at the past: seeing what other companies have done and trying to capture the successes into a framework that can be reapplied by others. This is useful and necessary, but only one of what I believe are four broad sets of skills that you need to have. Because these are broader areas within which several more specific skills will be required, I am going to refer to these four groupings as "proficiencies," which implies not only that you possess certain skills within each grouping but also that you master them to some degree.

To capture these four proficiencies, I tend to think of everything in terms of relative time. Back to our four questions, we are really asking about the past, the present, the future, and how those three dimensions will all come together to determine the ultimate path. It's really that simple, and it's a formula that has been used successfully time and time again. In fact, many of us watch this formula play out multiple times every year when we view the thousandth or so replay of Charles Dickens's classic story *A Christmas Carol*. Every December we sit glued to our television sets to watch remake after remake and spin-off after spin-off of this classic tale in which the main character visits his past, present, and future and uses that information

to affect some strategic change. The formula works, and we relate to it because, by and large, this is the way we all live out our own lives.

So that covers three of the proficiencies: the ability to understand the past, the present, and the future. So what is the fourth?

The fourth ingredient might just be the most important one of all. The past, present, and future are just about information: where we are now, where we have been, and where we want to go. These are just data points. And although you will need certain skills to collect and understand these data points, our fourth proficiency gives us the wherewithal to do something with all of this information and process it into an actionable plan: How are we going to get there?

Ebenezer Scrooge could have awoken from his final visitation and decided not to do anything with the information that he had gathered. But that's not what happened. Instead, he was driven to put all of those pieces together, process them, and then take action upon them. That's the final proficiency I want to try and capture.

Many things can motivate this fourth proficiency. In the case of Ebenezer Scrooge, he was motivated by fear, which, by the way, has also driven many a great strategy throughout the years. Sometimes the motivation is greed, other times it's compassion, and still other times the call to action might be motivated by the desire to build or create something or to leave a legacy of some type. Whatever the driving force, the fourth set of skills has to do with having both the desire and the drive to do something about whatever you have learned. And the action you take will ultimately become your chosen path.

So those are areas around which we must develop our proficiencies:

- Past
- Present
- Future
- Path

The problem is, these are conditions, not proficiencies. So what are the proficiencies that correspond with each of these areas?

Here's the way I see it: What do you do when you reflect on the past? In general, you are recalling a situation, and using your memory of what happened to ignite some emotion that will ultimately bring you to action. The proficiency required for this is *Recollection*.

Looking at the present, we can immediately think in terms of classic strategic theory where we are taught to observe and understand key elements of our surroundings such as our environment, our enemies, and our own comparative strengths and weaknesses. What we are doing is scanning and analyzing our current situation. That proficiency is *Analysis*.

For the future component, we are looking toward what will likely occur but which cannot be currently proven. Our ability to see the future more accurately than anyone else is one of the most important ingredients to a winning strategy. The proficiency that will get us there is the ability to use our “gut instinct” more effectively than anyone else. That proficiency is *Intuition*.

The last proficiency is perhaps the most difficult to capture and also the most difficult to teach. But it is also the proficiency that is perhaps the most critical to bringing a strategy to life. This last proficiency is that unseen force that drives people not only to act but also to *act differently*—from their past, from their present, from their otherwise predestined future. The differentiation is the key. And that doesn’t just require action; it requires creativity. The proficiency that best enables this drive to both create and to perform is *Artistry*. And from this proficiency will arise a person’s strategic path.

So now we have our four broad proficiencies:

Present = Analysis

Past = **Recollection**

Future = Intuition

Path = Artistry

In keeping with my musical analogy, these four proficiencies come together, as luck would have it, to form the mnemonic ARIA. And the order, although a bit different than *A Christmas Carol*, has significance as well, because for most strategies you start with where you are, then visit where you’ve been, then think about where you’re going, and finally process it all creatively to determine how you want to forge your path into the future.

In Part 1 of this book, we’ll explore each of these four proficiencies and discuss some of the key steps you can take to help build each one. This will be critical, if only to put you in the right frame of mind to build your strategic plan.

FIGURE P1.1

ARIA Inputs and Outputs

<u>A</u> NALYSIS	<u>R</u> ECOLLECTION	<u>I</u> NTUITION	<u>A</u> RTISTRY
Present	Past	Future	Path
Company/Capabilities	Influences	Vision	Strategy
Competitors	History	Goals	Story
Customers	Performance	Objectives	Resources
Industry	Experience	Target Market	Execution

As I mentioned earlier, strategy will consist of both inputs and outputs. Therefore, the proficiencies you build in Chapter 1 will correlate to the inputs and outputs shown in Figure P1.1.

I will discuss these inputs and outputs in much greater detail throughout Part 2 of this book, when I take you through the step-by-step process of building your strategic plan. But first we need to work on building the four proficiencies that will allow you to take an otherwise linear process and use it to create a dynamic work of art.

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