

You're Bob Holland. What Should You Do?

What strategic plan will you attempt?

What things will you do no matter what? What things will you do that specifically support your strategic plan?

No-Brainer

Strategic

Product scope

Production

Marketing

Distribution

Retail

HR

Social mission

What will be the biggest obstacle to implementing your strategic plan?

Key Takeaways from Ben and Jerry's dilemma

- A strength at one time can be a weakness at another time
 - Frames → Blinders
 - Processes → Routines
 - Relationships → Shackles
 - Values → Dogma
- A key to strategy reformulation is the decision to tackle “hub choices”
 - Commitment to a particular organizational structure (e.g., Sunrise Medical Devices)
 - Commitment to a particular product market (e.g., Intel)
 - Commitment in the form of corporate culture (Ben & Jerry's social mission etc.)
- When leading fundamental strategic change, timing may not be everything but it is a large part of the thing
 - First, stop the bleeding
 - Then tackle the hub choice
 - Followed by related choices

Undertaking Successful Strategic Change

- When a firm changes its strategy, where should it head?
 - Toward uniqueness and advantage, not into a pack or superior rivals
- How should it get there?
 - By tackling issues of operational effectiveness first and quickly
 - Quick wins
 - Credibility
 - Generate cash to invest in repositioning
 - Then turning attention to genuine repositioning (even if the repositioning is conceived early on)
- During repositioning, managers should use their understanding of connections among choices to understand the full ramifications of the change effort
 - Size up and confront internal barriers; alter hub choices early in the effort
 - Consider implications for organizational design

Example from Ben & Jerry's

- Ben & Jerry's
 - a problematic hub choice, a key internal barrier, is not addressed early on
 - Consequently, while the “stop the bleeding” part goes well, genuine repositioning is not successful
 - The company takes incremental steps when systemic change is needed, and Ben “Hub” Cohen stymies anything substantive
 - Ultimately the firm is acquired, and the systemic changes are made...but the sale price would have been higher had the firm already made these changes