Playing to Win Strategy

Idea In Short

Strategy requires making hard choices about where to play and how to win. Executives must build distinctive capability systems, engage in genuine strategic dialogue and accept that perfection is unattainable but shortening the odds is not.

Strategy Is About Winning

A.G. Lafley, former Chief Executive Officer (CEO) of Procter and Gamble, and Roger Martin, former Dean of the Rotman School of Management, explained that strategy is a set of choices about winning. This framing cuts through the noise that surrounds strategic planning. Know who you are serving and what winning looks like. Dig deep and nurture what you are uniquely good at. Create a set of activities that give you a sustainable competitive advantage for long-term profitability.

The choice cascade from Playing to Win links five decisions. First define your winning aspiration, then determine where to play and how to win. The second half of the book addresses capabilities and systems, which translate strategic choices into organizational reality. Without reinforcing capabilities and management systems, even the sharpest strategic choices remain aspirational rather than operational. The cascade only works when each layer supports the others, creating a coherent whole that competitors cannot easily replicate.1

Play to Your Strengths

Playing to your strengths sounds simple but proves difficult for two reasons. Regarding customers, it is hubris to try serving everyone. There is no such thing as an average customer. Customers have different needs, and usually enough room exists in the market for multiple winners. Segment, target and position to find customers who will love your work.

Regarding competitors, everyone is trying to get your profits. Rivals try to win your customers. Suppliers raise prices. Customers shop around and demand free services. Amazon enters your industry. Everyone is trying to grab your profits. Regarding company identity, you must ask who you are now, what kind of company you want to be and what makes you unique. Play your own game rather than imitating competitors.

Two forces make this difficult. FOMO drives most companies to mimic competitors rather than differentiate, grinding it out instead of choosing a distinctive path. Time is the second obstacle. Strategy requires sustained effort, not a single silver bullet like an illustrious brand, efficient factory or savant engineer. Most competitors have something similar. You need a unique combination of capabilities working together that others cannot replicate, which is your economic moat.

Lafley and Martin distinguish between generic strengths and critical, mutually reinforcing activities. A company must invest disproportionately in building core capabilities that together produce competitive advantage. The activity system should be feasible, distinctive and defensible. This distinction matters because many companies mistake competence for competitive advantage. Being good at something does not create a moat. The moat emerges only when multiple capabilities reinforce each other in ways competitors cannot easily disentangle or replicate.

Strategic Dialogue Not Presentations

Roger Martin wrote a provocative article in Harvard Business Review called The Big Lie of Strategic Planning. His thesis rings true: too often the annual strategic planning process becomes a choreographed parade of analyses, research reports, budgets and forecasts that validate non-decisions and corporate inertia. As Bain notes in the Founder's Mentality, many incumbents spread modest funding across many ideas without ever backing a bet. It amounts to hedging, optionality and waffling.2

Instead, strategy demands fewer people who are empowered to make decisions. Think business unit heads, the VP of strategy, and the CEO and CFO. The agenda should focus on bigger questions that matter. Real discussion and raw debate should occur. Trade-offs should be decided rather than deferred. The goal is to emerge with a better strategy than you entered with.

Martin advocates a style of inquiry blending advocacy with genuine exploration. This means clearly articulating your own ideas and sharing data and reasoning, while sincerely inquiring into the thoughts and reasoning of peers. Marc Andreessen captured a similar idea with the phrase strong opinions, loosely held. You hold conviction because you have done the research and difficult thinking, yet remain open to new evidence and persuasion.

Be Comfortable Being Uncomfortable

One source of frustration for strategy students and executives is the difficulty of knowing whether you are right. Building strategy is not about achieving perfection but about shortening the odds. In 2020, 100% of strategy departments were wrong about something. Being flexible, adaptive and human is the secret to navigating uncertainty.

Lafley and Martin emphasize that strategists must determine what constitutes value. Do not expect the channel or end consumers to tell you. That is your job to discover. This responsibility places the burden squarely on leaders to understand markets, identify unmet needs and define value propositions.3

Ask Good Questions and Measure What Matters

Strategy frameworks like industry analysis, value chain, SWOT, PESTEL, 4P, 3C and blue ocean serve as useful heuristics to break down problems. They are tools, not answers. It is more important to ask good questions. What is your winning ambition? How should you define your industry, competitors and value chain? Are you driving higher willingness to pay with target customers? Are you winning in your category, and how do you know? What are you not seeing?

Avoid analysis paralysis. Too many MBA types over-research. Research is useful but is not the answer. Reverse-engineer the problem by thinking through hypotheses. Ask what would need to be true for a given outcome to happen. Stay focused on the one thing that is most critical to the analysis.

Two managerial accounting adages apply: measure what matters and you get what you measure. Drive accountability closest to the source of the decision, following the Gemba principle. Track decisions at all levels from activity to business unit to corporate. Create systems to track both leading and lagging indicators, because driving while looking only in the rearview mirror is dangerous.

The best strategists resist the temptation to overcomplicate. They understand that frameworks serve the thinking, not the other way around. Peter Drucker, Andy Grove, Jack Welch and Ram Charan all emphasized variants of the same truth: strategy succeeds through disciplined execution and genuine inquiry. The framework matters less than the quality of questions asked and the courage to act on the answers. Leaders who ask better questions, measure the right indicators and remain comfortable with discomfort will craft strategies that endure.

- 1Playing to Win on Goodreads
- 2The Big Lie of Strategic Planning
- 3Crafting a Strategy Statement

Summary

Strategy is not about achieving perfection but about shortening the odds. Leaders who ask good questions, measure what matters and embrace discomfort will craft strategies that create sustainable competitive advantage.