Strategy for Career Thinking

Idea In Short

Treat your career as a strategy problem. Define what winning means for you, identify your unfair advantage, and protect it with an economic moat. Make deliberate trade-offs, compound your efforts through a flywheel, and stay open to emerging opportunities that reshape your path.

Strategy Is About Competitive Advantage

When you think of great companies, they are good at what they do. Nike is Nike, Lululemon is Lululemon, and Costco is not Walmart. They are not focused on being like someone else. Strategy is difficult, and the majority of publicly traded companies in the United States actually lose money. Making money is difficult, so the same advice of not being average applies to careers. 1

Several strategy frameworks apply directly to career conversations. Which frameworks could apply to our careers? What are ways to think about our own strategic positioning? What does winning look like, where to compete, and how to win? The following twenty-one concepts translate corporate strategy into personal career strategy.

Defining Winning and Differentiation

Winning seems like a divisive word, but strategy is about creating massive value for customers who love you and are willing to pay. Strategy means succeeding in the area of your choosing, whether teaching, construction, fundraising, non-profits, or tennis, in a sustainably competitive way. It is winning long-term and defined by you, not others. As Lewis Carroll is reported to have said, if you do not know where you are going, any road will get you there.

Differentiation asks what your edge is. Why are you unique and different from the twenty people who have the same education, experience, and skills? Do not be a commodity. How can you be a price-setter rather than a price-taker? What is your unfair advantage that makes you truly premium?

VRIO and the Learning Curve

Any gourmet meal is made up of great ingredients, a great recipe, and a great chef. What are the ingredients in your life? Do you speak three languages? Do you have deep relationships with influential people? Do you have proprietary access to information, resources, or customers? The VRIO framework asks what you have that is valuable, rare, difficult to copy, and solely owned and controlled by you. 2

Make a list of your great resources including people, assets, skills, experiences, and relationships. Consider how to get more of what you need and how to best use what you have. Create an inventory of art, music, words, and ideas that are attributable to you. How can you be your own asset?

The learning curve is about learning through doing. What can you practice more than other people to become more productive? What are you willing to grind through and hustle like an immigrant's kid? You want to learn where it is easiest for you and difficult for others. What are you willing to spend three years getting wicked good at? How can you mix and match skills to be truly unique and difficult to copy?

Where to Play and How to Scale

If you are reading this, you are blessed with education, resources, time, and access. This means you have choices. What is the industry you want to be in? What captivates your attention and where is the greatest growth? What kind of problems do you want to solve, and which clients are most interesting? What do you find yourself geeking out on a Saturday night?

There is only one of you, so what scales? How can you automate your most boring and routine tasks? Where can you delegate to others who want to learn from you, will do a good job, and cost less than your billable rate? How can technology lower your cost to serve? What parts of your job will robots take over in ten years? Get that off your plate.

Creating Flywheels and Acquiring Customers

Great companies have flywheels that gain momentum over time. It takes time to get going, but once it starts spinning, competitors struggle to catch up. What is one good thing you have that leads to another good thing, which leads to another? If your activities were metaphorical dominoes, what is the first domino you need to knock over? 3

If you had a magic wand, what two or three things in your professional life would you like to see compound at 24 percent annually? What parts of your virtuous cycle do you want bigger and stronger? How do you get your flywheel rolling, one thing pushing another round and round?

Marketing is making it easy for people to buy you. Think of a cereal box that clearly displays what is inside. Is your resume clear? Is your website a list of buzzwords, or can you show people your work? Have you found clients with a massive willingness to pay? Can you explain your value simply? Do you have a portfolio people can try before they buy?

Cross-Selling and Trade-Offs

What does your product or service portfolio look like? Does it make sense for clients to buy more from you? Can you cross-sell what you have to more people? What complements support your core business? Do you know your customers' future needs, and do they confide in you?

It is the creator economy. There are 300 hours of video uploaded to YouTube every second. You can self-publish on Amazon or share music on Spotify. It has never been easier to express yourself and find your 1,000 true fans. The most famous influencer in China sold $1 billion of product in a single day.

Would you go to a restaurant that served Italian pasta, Japanese sushi, Spanish paella, New England chowder, vegan tempeh, Chicago deep dish pizza, and Indian butter chicken? Probably not, because it would taste boring and awful. We cannot be all things to all people. What are you spending time on that is not core to your business? What are the 80 percent of activities not driving real profits, strategic advantage, fun, and growth? It does not pay to be a walking generality.

Business Model and Leverage

There are a dozen ways for clients to pay you for the value you provide, including one-time sales, subscriptions, advertising, freemium, franchising, and pay-as-you-go. Wealth comes from the balance sheet, so how can you get more equity? Business is a tug of war, and if you depend on one big supplier for key ingredients, that is trouble. There is way more competition than your direct rivals, so think about substitutes.

Best Practices, Planning, and Scenario Thinking

Best practices are typically common practices because everyone does them. These are table stakes, an entry fee to compete that must be done. A clean kitchen will not guarantee your restaurant succeeds, but an unsanitary kitchen will eventually put you out of business. As Jeff Bezos said, focus on the things that make your beer better.

What does your personal career plan look like? What are your priorities, whose help do you need, and what will revenues and costs look like? Planning is not perfect because it overly focuses on inputs and costs, but it is still useful. As Eleanor Roosevelt said, it takes as much energy to wish as it does to plan.

Can we agree that things do not always go as hoped? Clients change their minds, great managers leave, and interest rates rise. What are the three biggest assumptions in your annual plan, and what if they go south? In business, success, and life, it is more like poker than chess. Different cards, players, and luck all play a role.

Emerging Strategy and Inflection Points

Success equals good decisions plus luck. In 2020, 99 percent of strategy departments were wrong because they could not imagine seven billion people locked in their rooms. This requires flexibility and a willingness to stay open-minded. When is the last time someone brought you an idea and you put it into action? Command and control is overrated and exhausting.

Strategy is difficult because persistence is essential to get the fruits of your labor, yet pivoting at the right time is equally important. As Jack Welch said, change before you have to. Intel smartly pivoted from memory chips to central processing units, yet missed the low-power phone chip market, graphics processing, and foundry manufacturing.

Moats, Boards, and Time Frames

If you have been reasonably successful, you are profitable and things are going well. Inevitably, that attracts others who want a piece of the pie. What barriers to entry do you have? Network effects, customer loyalty, high startup costs, slow learning curves, and proprietary patents all serve as moats. Warren Buffett looks for economic castles surrounded by unbreachable moats.

We all have blind spots. More than ten leaders have failed because of hubris, surrounded by sycophants who just said yes. Have people around you who will keep you clear-eyed. Strategy does not have meaning without a due date. Are you looking for a two to three year solution, or your entire career? Most businesses fail, and those that succeed break even in years three to five. Any career strategy must fit your life stage, obligations, and risk preferences.

- 1What Is Strategy, Michael Porter, Harvard Business Review
- 2Resource-Based View, Wikipedia
- 3The Flywheel Effect, Jim Collins

Summary

Strategy is long-term, and so is your career. Keep asking yourself great questions, embrace uncertainty, and be so good they cannot ignore you. We are all works in progress, and the world rewards those who compound their advantages over time.