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----- WHAT'S UP, DOC? -----

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"Creating Leadership Solutions for Profit and Growth"

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THIS MONTH'S THEME: ROLE OF STRATEGY IN CORPORATE CHANGE

I mentioned a few issues ago that I like the book "Making Strategy Work: Leading Effective Execution and Change." Professor Hrebiniak's argument in the book is that execution of strategy is often neglected in corporate planning. Still, he gives strategy its due. This month, I'm going to summarize some key points from the third chapter of his book for you, sprinkled with my own observations.

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THIS MONTH'S QUOTES:

"To improve is to change; to be perfect is to change often."  
Sir Winston Churchill

"Diamonds are nothing more than chunks of coal that stuck to their jobs."  
Malcolm Forbes

"Before you can do something you must first be something."  
Johann Wolfgang Von Goethe

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1. PURSUING CHANGE, GOOD STRATEGY COMES FIRST

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PAY ATTENTION TO DIFFERENCES BETWEEN CORPORATE AND BUSINESS LEVEL STRATEGY

Oftentimes, the development of new strategy takes insufficient account of changes required on the business unit level. Business unit managers need specific details, with short term, measurable objectives, to translate larger strategic goals into action. Business unit managers should be part of the process that develops these goals and metrics, both to ensure they are well devised and to promote commitment in their ranks.

#### BE CLEAR ABOUT THE ROLE A BUSINESS UNIT PLAYS IN CORPORATE STRATEGY

If a particular business unit's role in the corporate umbrella is to function as a differentiated brand in its market, and not a low cost provider (or the opposite), then these expectations must be made clear. If a business unit's role must change to pursue a new corporate strategy, then all aspects of the business unit's measures, hiring practices and incentives must be reworked to support the new agenda. This is not easily done, and the reason why many good strategies fail. For example, a low cost producer will require capital investment in technology and equipment, in order to focus on volume production and economies of scale or scope. Appropriate accounting controls must be put in place, organization structures must favor efficiency and incentives must promote cost reduction. On the other hand, a differentiation-based business unit strategy requires effective product engineering, strong research and development, a heavy emphasis on marketing and advertising. It also requires incentives that focus on quality control and assurance, practices that maximize customer loyalty and incentives that promote product or service differentiation.

#### GLOBAL STRATEGIES REQUIRE EXTRA COORDINATION

For global strategies, structures and incentives should concentrate on coordination, the sharing of core competencies and developing economies of scale and scope across countries or regions. Emphasize the development of highly competent global managers with cross-cultural competence, rotating good managers across countries for experience. Matrix structures help promote simultaneous focus on global strategic priorities and regional objectives. I have some archived newsletter material about cross-cultural communication [here](#).

#### EFFECTIVE EXECUTION IS MORE DIFFICULT THAN GOOD STRATEGY DEVELOPMENT

This is the thesis of Hrebiniak's book, and one with which I agree. Helpfully, Professor Hrebiniak cites data he has collected to support this thesis. While this newsletter has frequently offered concrete advice on how to implement effective execution campaigns, I have written far less about strategy, even if a fair amount of my consulting practice focuses on strategy. Subscribers to this newsletter include business leaders and people interested in improving their working lives and personal development, so it's always a balancing act when selecting monthly

topics. I try not to get too business “wonky” and yet satisfy the diverse interests of my audience. Next month I will return to some personal development topic, and it’s time again to run another reader survey, so you can tell me what interests you. Stay tuned!

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## 2. RECOMMENDED BOOKS AND ENTERTAINMENT

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MUSIC: “That’s a Serious Thing”, by Jack Teagarden

A great compilation of the best work of the premier trombonist in early wing jazz. The man made the trombone sing like a trumpet. You can find it [here](#).

BOOK: ”Making Strategy Work: Leading Effective Execution and Change,” by Lawrence G. Hrebiniak

I’ve just begun to work my way through this offering from Wharton School Publishing. The third chapter is the one highlighted in this month’s edition of “What’s Up, Doc?” [You can find the book here](#).

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### 3. CHUCKLES

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(Picking on my lawyer friends again!)

A stingy old lawyer was on his deathbed. He instructed his wife to fill two large pillowcases with money thinking he could pick them up on his way to heaven.

Several weeks after his funeral the widow found two pillowcases full of cash in the attic.

"The old fool," she thought, "I knew I should have left them in the basement!"

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### 4. PROMOTE YOUR OWN GROWTH

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You don't have to live near the Schuler Solutions main office in Alexandria, Virginia to benefit from my coaching services. Great work can be done for your own growth and development over the phone and through document review via email. To find out more about your coaching options and available coaching plans, just click [here](#) now.

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### 5. ABOUT DR. SCHULER

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A. J. Schuler, Psy. D., an expert on leadership, negotiation and organizational change, provides consulting services, keynote presentations and seminars for client companies. His trademark is highly personalized service that leads to measurable increases in productivity, profit and growth. He also provides personalized leadership education and coaching for highly motivated clients.

Dr. Schuler, President of Schuler Solutions, Inc., has served diverse organizations in the private and public sectors, including The Ritz-Carlton Hotel Company, Sony Development, Nomura Securities and the Executive Office for Immigration Review.

A graduate of the Wharton School of Business, Dr. Schuler has successfully led the profitable growth of a dynamic, international consulting firm while serving as Operations Director, and has successfully coached over five hundred CEO's and corporate executives.

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## 6. HOW TO SUBSCRIBE OR UNSUBSCRIBE

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## 7. NEWSLETTER STATEMENT OF ETHICS

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NEWSLETTER ETHICS: This e-Newsletter will be sent to subscribers only upon REQUEST, though subscribers may forward this letter to anyone they wish. Subscriber identities or contact information will NOT BE DISCLOSED to any other persons or entities under any circumstances. (An attorney friend recently pointed out that, technically, I'd have to give up my list if compelled to do so by a court of law. He's technically right, of course, but let's face it: that won't happen!)

Have a great month. . .

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"Make each day your masterpiece." -- John Wooden

P.S. - Remember to send in your comments and successes, and to forward this newsletter to at least one friend! Thanks . . . AJS