

**Reeves, Martin; Haanaes, Knut & Sinha, Janmejaya – Your Strategy Needs a Strategy**

Harvard Business Review Press, 2015, [Business] Grade ★★★★★

Fortune magazine are seeking suggestions on books that have changed someone's mind on an important topic for their December issue. This book is my humble suggestion. *Your Strategy Needs a Strategy* perhaps hasn't reversed my view on what corporate strategy is but it certainly supplied a framework that gave order and structure to what I previously knew, by this changing how I think about strategy. The three authors are management consultants at Boston Consulting Group and they aim to answer the question "What is this broader set of ways in which we can approach strategy, and which strategy is the most effective in which situation?" and claim that finding the right answer delivers significant value.

The star of the book is a matrix called the Strategy Palette with high vs. low unpredictability of a company's business environment on the y-axis and high vs. low malleability on the x-axis. By the malleability of the business environment the authors mean to what extent a company – by themselves or in collaboration with others – can change the environment. The two axes form a four square matrix with the environments Classical (environment can be predicted but the company cannot change it), Adaptive (unpredictable and low ability to change), Visionary (environment is both predictable and the company can change it) and Shaping (where the company cannot predict the environment but it can change it). For each environment there are a number of existing strategy models that fit.

In the Strategy Palette there is actually a fifth environment with its own set of strategy models and it is the harsh unprofitable environment that requires some type of turnaround for the company to survive. The harshness of the environment is presented as a third axis in a three-dimensional model but in reality the harshness doesn't really mix with the other axes. If the environment is so harsh that the survival of the company is threatened it should use the strategy models from

this Renewal environment. If it's not then it can start thinking about predictability and malleability.

I had a good think about if I agree on the choice of parameters: unpredictability, malleability and harshness. If I am to set up a plan to reach a goal are these then the most important aspects to take into account when choosing a type of strategy? I think they are. This book definitely fills a gap in that it brings order in the flora and fauna of strategy models. You first have to choose the right thing to do and then you can concentrate on doing it right. Managers too often just try one popular model after another without having the tool to know which one to choose. Now they have. At the same time one shouldn't forget how dominating the classical environment is and try to force feed a company into the other parts of the strategy palette.

The book isn't totally without objections. Now and then the authors present a number of art analogies that feel forced. The pictures are in black and white. Given this the name the Strategy Palette and the authors' discussions about different colors becomes a bit quaint. Also, the authors don't venture very deeply into each type of strategy. If they had, this could have become the definite reference book on strategy – now it's a starting point. But to be fair they supply recommendations on literature to read to gain further understanding. Also, after the introductory chapter presenting the Strategy Palette I would have wished for a chapter that dived into the topic of how to in a good way measure unpredictability, malleability and harshness and by this categorize industries and companies. After this the authors could have proceeded to describe the five environments.

This should be one of the first books on strategy that anyone reads. The ability of a strategy to bring a company where it wants to be is contingent on the strategy being able to handle the environment in which the company travels.

Mats Larsson, November 10, 2015