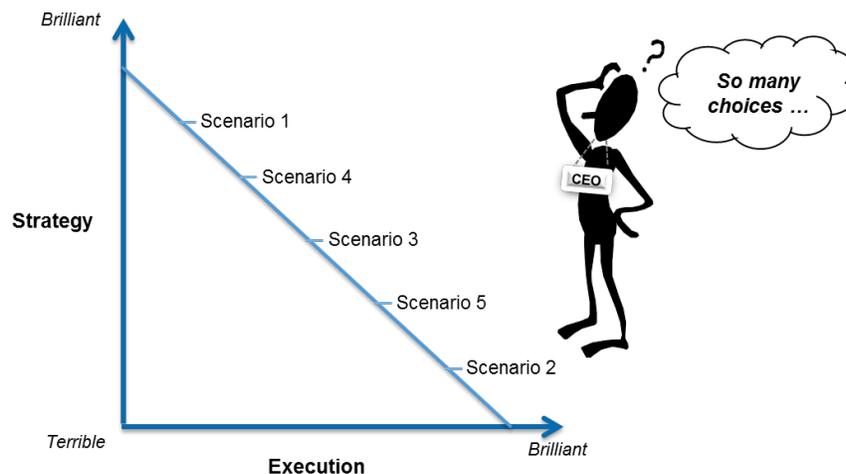


Strategy versus Execution

The debate of which is more important, Strategy or Execution, is the business world's version of the classic chicken and egg question: a seemingly unresolvable conundrum that has apparently frustrated the finest minds, and sparked heated debates between each side's self-appointed advocates. And, like its biological equivalent, the debate is mostly meaningless.

To see why, let's examine the "Strategy-Execution Continuum" below:

Strategy-Execution Continuum



At one end of the spectrum, we have Scenario #1: a brilliant strategy, terribly executed. Clearly, this would be a highly unsatisfactory state of affairs (except perhaps for strategy professors). At the other end, we find Scenario #2: a terrible strategy, brilliantly executed. This too, would be unlikely to result in market expectations-beating performance (notwithstanding best-selling books to the contrary from celebrity former CEOs). All along the Strategy-Execution Continuum, we find various combinations of strategic and executional competence, such as Scenario #3: a middle-of-the-road strategy with average execution, or, alternatively, Scenario #4: a somewhat insightful strategy but with only marginal execution, and, of course, Scenario #5: the ho-hum strategy with somewhat better-than-average execution.

Given this abundance of choices, what is the poor CEO to do? Clearly, the question itself just doesn't belong in any serious management discussion at all. Of course, a "proximate" strategy might just be good enough for a while, if you're lucky, and execution is most certainly a critical organizational capability in its own right. But surely, in today's hypercompetitive marketplace, we must plan for the best possible strategy with the best possible execution every time, if we are to have any hope at all of long-term success on either Main or Wall Street. Debating whether, or how much, strategy should be favoured at the expense of execution, or vice versa, is simply asking the wrong question altogether.

Okay, but what about that chicken and her egg, you ask? Naturally, the egg came first ...