

THE STRATEGY PARADOX

Why committing to success leads to corporate failure...and what to do about it

MICHAEL E. RAYNOR

A compelling vision. Bold leadership. Decisive action. These are the ingredients of success, right? Wrong! Most companies have left their futures to chance, and don't even realize it. The reason? Managers feel they must make choices today, but are forced to base those choices on assumptions about a future they cannot predict. It is this collision between uncertainty and commitment that lies at the heart of THE STRATEGY PARADOX.

Companies base their strategies on assumptions about what tomorrow will bring. The more ambitious hope that their guesses will be right, or that they can somehow adapt to the turbulence that inevitably befalls them. In fact, only the lucky ones survive. Realizing this, most companies choose timid, unremarkable strategies, sacrificing any chance at greatness.

Michael E. Raynor, coauthor of the bestselling *The Innovator's Solution*, explains how companies can break this tradeoff, achieving results that have historically been reserved for the fortunate few while reducing their levels of risk. This is as close as you can come to getting something for nothing in the cutthroat world of competitive strategy.

Drawing on leading-edge scholarship in a wide range of disciplines and extensive original research, Raynor's revolutionary principle of *requisite uncertainty* implies, among other counter-intuitive findings, that:

- The Board and CEO should not drive performance, but manage uncertainty
- Business unit leaders should not focus on execution, but on making strategic choices
- Line managers should not worry about strategic risk, but devote themselves to delivering on commitments

With detailed case studies of both success and failure at companies such as Sony, Vivendi Universal, Microsoft, Johnson & Johnson, and many others, Raynor describes a concrete framework for strategic action that allows companies to simultaneously seize the promise of today while seeing the promise of tomorrow.

Michael E. Raynor of Deloitte Consulting LLP is a Distinguished Fellow with Deloitte Research in New York and works extensively with clients around the world. He is the coauthor, with Clayton M. Christensen, of *The Innovator's Solution*. Raynor has a doctorate from the Harvard Business School, and is an Adjunct Professor at the Richard Ivey School of Business in London, Canada and teaches executive education at IMD in Lausanne, Switzerland. He lives in Mississauga, Canada.