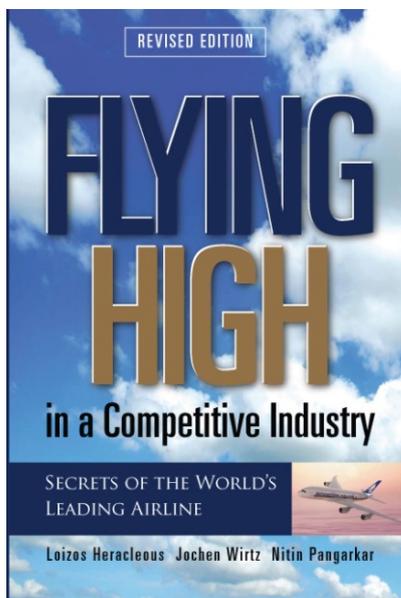


EXECUTIVE DEVELOPMENT SESSIONS AND TALKS - LOIZOS HERACLEOUS

How to Win in Hyper-competitive Markets: Strategic Alignment and Core Competencies

This session addresses how strategic alignment can help companies achieve sustainable competitive advantage. A strategic alignment framework will be presented, that can help companies evaluate whether they are aligned, and detect any misalignments. The importance of alignment among environment, strategy, core competencies and organizational configuration is emphasized and illustrated. Core competencies of operational excellence, deep understanding of the customer, and innovation are discussed, and examples of organizational activity system maps are used to illustrate the linkages between core competencies and activities within virtuous circles. Finally, the session addresses the sustained integration of the generic strategies of differentiation (in this case achieved through service excellence and innovation) and cost leadership, something considered impossible by strategic orthodoxy. The context for discussion of these issues is the in-depth case study of Singapore Airlines' competitive success. This session is accompanied by the book *Flying High in a Competitive Industry*, (Heracleous, Wirtz & Pangarkar, 2009, McGraw-Hill), and by the article "Singapore Airlines' balancing act" (Heracleous & Wirtz, 2010, *Harvard Business Review*)



Strategic Leadership and Innovation

This session addresses the tasks of strategic leadership and the imperative of innovation in competitive markets. Innovation is seen as a core competency that can help an organization pull away from commoditization and price competition. The focus is on understanding how product or service innovation (as well as strategic innovation) can be achieved through the appropriate organizational choices (processes, design, culture) and through effective leadership. The context of this discussion is Apple Inc. The session proceeds with applied strategic thinking, asking participants to identify and make recommendations on Apple's current strategic challenges, which range from issues of geographical expansion, internal technology, to financial ones. The discussion also identifies Apple as one of the few companies that can achieve an integration of generic strategies, in Apple's case outstanding innovation together with intense efficiency.

This session is accompanied by the case study *Strategic leadership and innovation at Apple Inc*, Heracleous and Papachroni (2009), European Case Clearing House case 309-038-1 (currently being updated to a 2012 version).



Strategic Leadership and Innovation at Apple Inc

Case study
Reference no 309-038-1

This case was written by Professor Loizos Heracleous and Angeliki Papachroni, Warwick Business School. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation. The case was compiled from published sources.



Strategic Leadership and Innovation at Apple Inc

Teaching note
Reference no 309-038-8

This teaching note was written by Professor Loizos Heracleous, Warwick Business School. It was prepared to accompany the case 'Strategic Leadership and Innovation at Apple Inc' (reference number 309-038-1). The case was compiled from published sources.

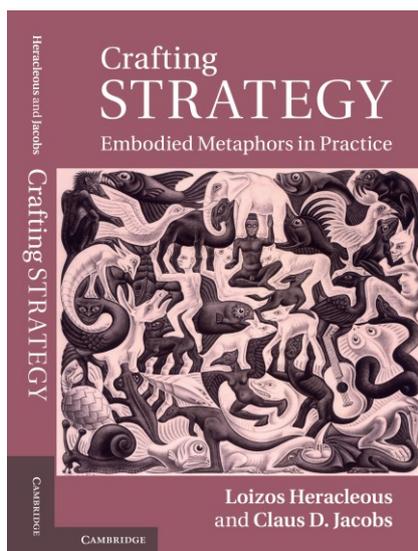
Strategizing Out of the Box: Crafting Strategy (Workshop)

Traditional strategizing using analytical frameworks and two by two matrices is useful, but it is not always innovative, engaging or exciting. It may also fail to address the real issues, when these are difficult to discuss directly (undiscussables), or where the strategic challenges are as yet poorly understood and undefined. How can strategists think outside the box about their situation and challenges, and conceptualize new possible futures? We briefly introduce the concept of "strategizing through play" what the method is, how differs from traditional strategizing, what are its benefits, and how can companies use it effectively. We then engage participants in this innovative strategizing method using a structured methodology which culminates in their building representations of their company and industry, and the decoding and interpretation of these representations to elicit strategic challenges and possible directions to address them. This session is accompanied by the readings below:

Heracleous, L. & Jacobs, C. 2011. *Crafting Strategy*. Cambridge University Press.

Heracleous, L. & Jacobs, C. 2005, The serious business of play, *MIT Sloan Management Review*, Fall: 19-20.

Heracleous, L. and Jacobs, C. 2008. Crafting strategy: The role of embodied metaphors. *Long Range Planning*, 41 (3): 309-325.



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Management Review

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Long Range Planning 41 (2008) 309-325

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Crafting Strategy: The Role of Embodied Metaphors

Loizos Heracleous and Claus D. Jacobs

Loizos Heracleous and Claus Jacobs

The Serious Business of Play

This article presents an approach to strategizing through a process of crafting embodied metaphors - physical constructions that can be touched, moved, examined from various angles and serve as engaging occasions for sense making. In this context strategy is viewed as a crafting practice, where actors construct their perceptions of strategic issues, metaphorically as well as literally, both through and into embodied metaphors within facilitated workshops. We analyse an episode of a strategy team constructing an embodied metaphor of their ideal strategizing process, and suggest that embodied metaphors are an effective means of intervention that can help managers to debate specific strategic challenges in a generative fashion. We show how the process of constructing and interpreting of embodied metaphors can provide access to a deeper understanding of organizational, divisional or task identities, and address other important benefits of the process, such as the potential for shifts in the mindsets of strategists and the ability to engage actors not ordinarily involved in strategizing. Finally we offer some suggestions on how to foster a productive strategizing process of crafting embodied metaphors.

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Introduction¹

Developmental psychologist Jean Piaget observed that human beings begin to make sense of the world by using their hands: we initially literally 'grasp' the world through 'manipulating' objects in the physical environment around us.² While most tasks in our professional lives focus on rational, conceptual, cognitive functions, some professional disciplines still draw on this fundamental human capacity in their everyday practices. For instance, designers and architects use prototypes to externalize and probe their ideas and thoughts. Such objects can be created through a variety of media, including drawings and computer models or as tangible three-dimensional entities; they are not simply the outcomes of abstract thought processes, but can be seen as avenues for engaging in iterative sense making about the representations and ideas they embody.³

In this respect, the practice of crafting embodied metaphors in strategy is reminiscent of an ancient craft of strategizing that also drew on three-dimensional artifacts. In the 18th and 19th century so-called 'relief' maps were widely used by military strategists, providing a bird's eye view of

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Achieving Sustainable Competitive Advantage through Dual Strategy

A central, widely accepted tenet of strategy is that companies must choose a clear, exclusive strategic positioning (e.g. either cost leadership or differentiation, either exclusivity or mass market, either standardization or personalization) and make the necessary decisions and investments to support this exclusive positioning. While this tenet applies in many cases, this way of thinking can also constrain strategists' mindset and prejudice strategic success. Some leading companies in fact implement strategies and internal organizational arrangements that would normally be considered incompatible and therefore impossible to implement simultaneously. Far from being "stuck in the middle" however, these companies enjoy sustainable competitive advantage and higher organizational resilience in uncertain times through achieving such strategies, which are near impossible to imitate by competitors. What exactly are these strategies, how can they be achieved, and in what way can they lead to sustainable advantage? What are the pitfalls for companies that try to implement them? We discuss the strategy and organization aspects of companies that have successfully implemented such strategies, and conclude with directions for companies that wish to aim for such a strategy.

Leading Strategic Change

In the competitive arena we have to expect the unexpected; organizational flexibility and the ability to change is critical to survival and success. The majority of strategic and organization change programs fail to reach their objectives, and with good reason; change is highly complex and difficult to manage effectively. It not only requires the appropriate selection of a new strategy, it also entails alterations in the organization's design, culture and control systems, where the aim is to achieve a fit of all these elements with the new strategic direction. This session will discuss how industry trends necessitate the selection of new strategies or re-direction of existing ones; various types of change; tools and frameworks that useful for implementing change; and the role of organization design and culture. There is particular emphasis on leadership for change, outlining the features of effective leaders both in change situations as well as more broadly. The discussion in the first half of the session focuses on organizational-level change and the medium term (using Carlos Ghosn and the Nissan turnaround as the context for discussion), and in the second half on national-level change and the long term (using Lee Kwan Yew and Singapore as the context for discussion).

Dilemmas of Corporate Governance

This session addresses the functions of an effective board, the key problems with developing effective board structure and organization, the role of board independence, and the role of ethical dilemmas at board level. Participants are requested to make three decisions in the context of three situations: The first is a personal decision of an accounting expert about whether to accept a board seat in a fortune 500 company that had faced allegations of accounting irregularities. The second is a board decision of whether to fire a CEO who has underperformed for 1 year largely due to a debatable acquisition decision. The third decision presents an ethical dilemma: should the board of a charity providing support for abused and depressed children, that is desperately short of cash and faces imminent closure, accept significant sums of money offered by a local escort agency? What would you do as a board member in these three cases and why?

Art and Value of Strategic Conversations

This session examines the nature of strategic conversations, and how to foster such conversations within top management teams. Barriers and facilitating factors to strategic conversations are discussed, and participants are engaged in several mini-workshops that highlight the elements of strategic conversations in action. Finally, participants are invited to engage in strategic conversations about their own organization, based on the frameworks presented earlier on in the session.

Creating Cultural Integration in Multi-business Organizations

This session addresses how multi-business organizations can achieve higher levels of cultural integration. Cultural integration is placed in the context of strategic integration, itself being based on strategic relatedness and operational relatedness. The elements that can foster cultural integration are then addressed, including engagement in strategic conversations, understanding current and clarifying desired values, seeking cross-business linkages and synergies, and making values matter.

Linking People with Strategy

Strategy most often fails at implementation, where realizing a strategic plan is the most difficult challenge of strategy. Whereas organization design and processes can often be aligned with strategy without serious challenges, people and culture often prove much more difficult to align. What are the key questions that should be asked, and what frameworks can help executives align people with strategy? We draw from an in-depth study of the most successful airline in the world, Singapore Airlines, to illustrate how the strategic alignment of people with strategy works in practice, and derive some principles that can be practiced by any company to achieve this alignment.

Challenges of International Strategy

We discuss some of the most persistent dilemmas and crucial strategic challenges faced by multinational corporations. These include the need to develop and implement an effective global strategy, to respond to competitive threats by instituting substantial organization change, to achieve high levels of innovation and diffuse these innovations on a global scale, and to manage the inherent organizational tensions between global integration, local responsiveness, and worldwide transfer of learning. These dilemmas and challenges are becoming more intense given global trends of liberalization of markets, higher efficiency and innovation levels of competitors, commoditization of many offerings, and higher sophistication of consumers. Tools and concepts will be presented that can help managers think about and respond more effectively to these challenges.



Loizos Heracleous holds a Chair in Strategy and Organization at Warwick Business School, and is Associate Fellow of Green Templeton College and the Said Business School at Oxford University. He earned his PhD from the University of Cambridge, Judge Business School, as a member of Trinity Hall. He conducts research and teaching in the areas of strategy and organization, organization change and development, corporate governance, and organizational discourse. Several areas of his research have been

featured in the *Harvard Business Review* and *MIT Sloan Management Review*, as well as other applied publications such as the *Journal of Business Strategy*, *Business Strategy Review* and *Long Range Planning*.

He has authored or co-authored six books: *Strategy and Organization: Realizing Strategic Management* (Cambridge University Press, 2003), *Discourse, Interpretation, Organization* (Cambridge University Press, 2006); *Flying high in a competitive industry: Secrets of the world's leading airline* (McGraw-Hill, 2009); *Business Strategy in Asia: Text and Cases* (Cengage, 2010), *Crafting Strategy: Embodied metaphors in practice* (Cambridge University Press, 2011) and *Practicing Strategy: Text and Cases* (Sage, forthcoming).

His research has been published in over 50 research papers in prestigious outlets such as the *Academy of Management Journal*, *Academy of Management Review*, *MIS Quarterly*, *Harvard Business Review*, *MIT Sloan Management Review*, *Journal of Management Studies*, *Organization Studies*, *Human Relations*, and *Journal of Applied Behavioral Science*. His research has been honored by three *Best Paper Awards* from the US Academy of Management; in 1999 (on globalization), 2004 (on organization development), and 2006 (on corporate governance). His work has also won the award for the *Paper with the Best Practical Implications* from Emerald, for 2 years running; in 2009 (for his work on linking people with strategy based on his Singapore Airlines research) and in 2010 (for his work on whether business can learn from the public sector). He serves on the editorial boards of leading management journals, including the board of the top empirical scientific management journal in the world, the *Academy of Management Journal*.

Loizos received several teaching excellence awards for his MBA teaching; and is an experienced executive development practitioner with 15 years' experience in executive development, having worked with senior executives of blue-chip organizations including Rolls Royce, IBM, Tata, Total, Credit Suisse, Bank of China, Standard Chartered Bank, Kingfisher Airlines, KPMG, MAN, YWCA, Singapore Institute of Directors and Singapore Police Force. Loizos' work spans program design, program direction, and session delivery with the mix depending on client needs.

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