

GOOD STRATEGY BAD STRATEGY

The Difference and Why It Matters

RICHARD RUMELT

RICHARD RUMELT is Professor of Business & Science at UCLA's graduate school of business and management. In addition to his academic work, Dr. Rumelt is a consultant to nonprofits and firms such as the Samuel Goldwyn Company, Shell International and many others. Dr. Rumelt is considered to be one of the founders of the resource-based view of strategy which explains performance in terms of unique specialized resources. He has previously served on the faculty of the Harvard Business School, INSEAD, France and as president of the Strategic Management Society. Dr. Rumelt is a graduate of the University of California, Berkeley and Harvard Business School.

The Web site for this book is at www.goodbadstrategy.com

ISBN 978-1-77544-697-2

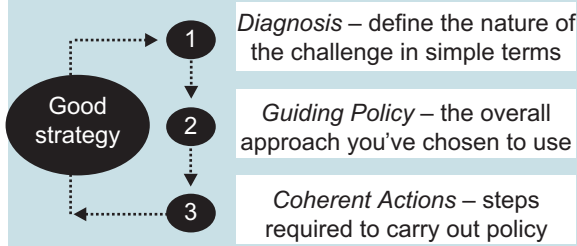
SUMMARIES.COM is a concentrated business information service. Every week, subscribers are e-mailed a concise summary of a different business book. Each summary is about 8 pages long and contains the stripped-down essential ideas from the entire book in a time-saving format. By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at www.summaries.com.

MAIN IDEA

Strategy is not what many people think it is. You don't develop a strategy by using a fill-in-the-blanks mission statement blathering about how you will be world class in some field or another. Nor is strategy a declaration of war that you will hunker down and work hard to increase sales by twenty percent a year while simultaneously growing your profits. Neither effort, financial projections, platitudes or wishes about a prosperous future are strategy.

Pure and simple a strategy is the way you will deal with a high-stakes challenge. It's the way you've developed to cohesively and intelligently respond to that challenge and move forward. Strategy is about how your organization will move forward.

A good strategy always contains three elements:

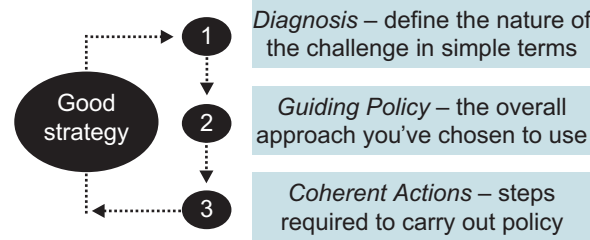


"The words 'strategy' and 'strategic' are often sloppily used to mark decisions made by the highest-level officials. However, when you speak of 'strategy,' you should not simply be marking the pay grade of the decision maker. Rather, the term 'strategy' should mean a cohesive response to an important challenge. A good strategy includes a set of coherent actions. They are not 'implementation' details; they are the punch of the strategy. A strategy that fails to define a variety of plausible and feasible immediate actions is missing a critical component. Doing strategy is figuring out how to advance the organization's interests. Of course, a leader can set goals and delegate to others the job of figuring out what to do. But that is not strategy - skip the spin and call it goal setting."

- Richard Rumelt

1. Good Strategy vs. Bad Strategy – The Defining Differences Pages 2 - 3

Bad strategy is more than just the absence of good strategy. All too often, bad strategy consists of nothing more than platitudes, unrealistic goals and warm-and-fuzzy sounding slogans. Good strategy, by contrast, specifies how the organization will focus its resources to respond to a challenge and move forward. Good strategy has three parts:



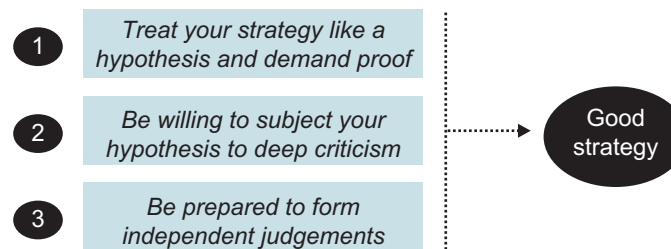
2. The Nine Sources of Power For Good Strategies Pages 4 - 7

A good strategy works by finding and then applying power where it will have the greatest effect. There are at least nine fundamental sources of power which can and should be used in good strategies:



3. How To Think Like a Strategist Pages 7 - 8

To create better strategies, think carefully about the way you think about strategy.



Summaries.Com

The Ultimate Business Library



We condense **300+ page** business books into **8-page** summaries.

By reading summaries, you'll get the **key ideas** in **30 mins**, so you can spend more time turning your ideas into **dollars**.

Knowledge is Power — Invest in Your Future

For just **\$2 per week**, you will...

- Learn from the mistakes and success of the smartest people in business;
- Get fresh ideas, strategies & motivation that could be worth millions to you;
- Follow emerging trends, so you can catch the wave before your competitors do;
- Catch up on the classics you always wanted to read.

1,000 Top Business Book Summaries

Our catalog includes summaries on a range of topics for aspiring entrepreneurs, managers, and consultants.

BUSINESS PLANS

MANAGEMENT

PRESENTATIONS

SALES

LEADERSHIP

MOTIVATION

STRATEGY

AND MORE

