

# More Praise for I HAVE A STRATEGY (NO YOU DON'T)

“Finally, a book that strips away the jargon, dispels the myths, and dispenses with endless hours of consultant-led meetings. It’s like having a secret strategy weapon. With characteristic wit and intelligence, Malham tells us where most strategic planning processes go wrong—and how we can get it right. A must for anyone searching for a clear path to a winning strategy.”

—**Steve Edwards**, deputy director of programming,  
University of Chicago’s Institute of Politics

“A smart, entertaining, and interesting read. I’d recommend it to anybody, in any field, who wants to know the elements of strategy and how to apply them.”

—**Greg Parsons**, vice president, Herman Miller



I HAVE A STRATEGY  
(NO YOU DON'T)



# I HAVE A STRATEGY (NO YOU DON'T)

THE ILLUSTRATED GUIDE  
TO **STRATEGY**

WRITTEN AND ILLUSTRATED BY  
HOWELL J. MALHAM JR.

Foreword by Jeff Leitner

 **JOSSEY-BASS**  
A Wiley Imprint  
[www.josseybass.com](http://www.josseybass.com)

Cover design: Adrian Morgan

Copyright © 2013 by Howell J. Malham Jr. All rights reserved.

Published by Jossey-Bass

A Wiley Imprint

One Montgomery Street, Suite 1200, San Francisco, CA 94104-4594—www.josseybass.com

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400, fax 978-646-8600, or on the Web at [www.copyright.com](http://www.copyright.com). Requests to the publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, 201-748-6011, fax 201-748-6008, or online at [www.wiley.com/go/permissions](http://www.wiley.com/go/permissions).

**Limit of Liability/Disclaimer of Warranty:** While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages. Readers should be aware that Internet Web sites offered as citations and/or sources for further information may have changed or disappeared between the time this was written and when it is read.

Jossey-Bass books and products are available through most bookstores. To contact Jossey-Bass directly call our Customer Care Department within the U.S. at 800-956-7739, outside the U.S. at 317-572-3986, or fax 317-572-4002.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media such as a CD or DVD that is not included in the version you purchased, you may download this material at <http://booksupport.wiley.com>. For more information about Wiley products, visit [www.wiley.com](http://www.wiley.com).

Library of Congress Cataloging-in-Publication Data

Malham Jr., Howell J.

I have a strategy (no you don't) : the illustrated guide to strategy / Howell J. Malham, Jr. -- 1st ed.

p. cm.

Includes bibliographical references.

ISBN 978-1-118-48420-3 (cloth); ISBN 978-1-118-52659-0 (ebk.); ISBN 978-1-118-52631-6 (ebk.);

ISBN 978-1-118-52644-6 (ebk.)

1. Strategic planning. I. Title.

HD30.28.M333 2013

658.4'012--dc23

2012038508

Printed in the United States of America

FIRST EDITION

*HB Printing* 10 9 8 7 6 5 4 3 2 1

## CONTENTS

Foreword	xi
Acknowledgments	xiii
I Have a Strategy (No You Don't)	1
Principal Sources	213
The Author	215



*For Ralph*



## FOREWORD

You keep using that word. I do not think it means what you think it means.

—*The Princess Bride* (1987)

Strategy is not like love.

It isn't ethereal, subjective, or hard to define.

It is concrete, specific, and was defined in approximately the same way for centuries across virtually all cultures. Then, somehow, it got fuzzy. And now, far too often, it has come to mean a whole host of things that aren't strategy.

I have no idea how this happened. But this matters a lot.

Generally, it matters because definitions matter. In constructing buildings, crossbeams are crossbeams and aren't floorboards or drywall. In performing surgery, scalpels are scalpels and aren't sponges or forceps.

Specifically, it matters because Howell and I depend on it to do our jobs. As founders of Insight Labs—think of it as research and development for social change—we design new models for saving the world. But we don't always build out those models ourselves; sometimes, we turn over our designs to other people who don't really understand what strategy is, much less how to use strategy to realize big ideas.

So we give them designs and they produce far, far less than they could.

This book is Howell's remarkable effort to fix production. It was born of yet another meeting with corporate executives spouting verbiage and offering suggestions they thought were strategy but sadly weren't. His response that day was the first draft of this wonderful book.

Believe me—nothing beats Howell delivering this lesson in person. But this book comes damn close. Enjoy and, in the event we collaborate down the road, please pay attention.

—Jeff Leitner, founder and dean, Insight Labs

## ACKNOWLEDGMENTS

I grew up in a family that loved words.

We loved debating their meanings and pronunciations at the dinner table; we loved discovering and learning their etymologies; we loved using and sharing new and “big” words with one another, sometimes just to show off in front of Mom and Dad.

As the youngest of seven kids, I was at a disadvantage for a few years. My older brothers and sisters were busy building their vocabularies long before I showed up on planet Earth. Sometimes, they used strange and exotic words at the table that left me dumbfounded. Whenever I’d ask, “What does *that* mean?” I was encouraged to excuse myself and look up the word in the massive *Webster’s International Dictionary* on the wooden stand in my father’s study.

I hated those trips at first. The family dinner conversation would continue downstairs, while I prowled around the dictionary for some word I could barely pronounce, let alone spell. Inevitably, while searching for one definition, I would become dizzily distracted by other entries, some

with curious illustrations, and end up running down and reading about words I wasn't even looking for.

This book is a story about one of those words.

It's not a long, or terribly elegant word, one of those sesquipedalian delights. It's a simple and very common word that is overused and frequently, tragically misunderstood.

Yes. There are worse crimes than using a word incorrectly, but not many. For me, there is nothing more important than understanding the words we use to communicate the thoughts and ideas we have—especially when we're communicating with one another. It's how civilization became, well, *civilized*.

One person may say *tom-a-to*, the other may say *tom-ah-to*—but woe if one of those people believes *tomato* really means *shoehorn*. Or worse.

It will, of course, require more than one word to thank the many brilliant and big-hearted folks in my sphere who made this exposition on strategy possible—some, I'm not embarrassed to say, who are far more learned than I am on this subject.

Many thanks are due straightaway to my mom and dad, from whom I inherited this endless and sometimes vexing fascination with words. And I'm

grateful as always to my brothers and sisters, my extended family, and my friends for their encouragement, inspiration, and guidance throughout the years.

I owe a debt of gratitude to my colleague and friend, Jeff Leitner. He challenged my preconceived notions of “strategy” and exhorted me to conduct a personal, unapologetic analysis of the word in order to discover and transmit its whatness. I also thank Andrew Benedict-Nelson, another colleague and friend, who offered scholarly advice, direction, and more than a few thoughtful comments on the manuscript.

Dr. Robert Wolcott, Jim Newcomb, Deepa Gupta, Slava Rubin, Sarah Elizabeth Ippel, Melinda Tuan, Bill Sleeth, Mark Trammell, Ann Hill, and many others provided invaluable insight on strategy in their respective realms. Marnie Breen Vosper, Bryan Campen, and Maggie Hendrie gave their time and talents, helping me negotiate hurdles during the early stages of writing this book. And, at a critical moment, Kelli Christiansen helped me to realize the full potential of the project and encouraged me to press on. Try as I may, I cannot thank them enough.

I’m deeply grateful to Jim and Dawn Jacoby for their friendship, enthusiasm, and tireless support. And to Ashima Dayal and Ryann Whalen

for much-needed, on-the-spot counsel. I'm equally indebted to Aaron Schoenherr and Lisa Seidenberg at Greentarget. They're fearless evangelists whose collective belief has enlarged and deepened the importance of this and other Insight Labs projects.

Many others helped see this book through to completion, namely Adrian Morgan, art director; Rob Brandt, editorial projects manager; and Kelsey McGee, senior production editor, who talked me down from the ledge more than once with kindness, patience, and wisdom. I thank them one and all.

Special thanks indeed are due to my agent Jeffrey Krames and my editor Susan Williams at Jossey-Bass, who believed when others doubted. And for that I'm eternally grateful.

I offer these final words of thanks and praise to my wife Cheryl, who read draft after draft, saved me from silly errors, made thousands of brilliant suggestions, and not the least, tolerated the febrile, fanatical antics of a man on deadline.

I HAVE A STRATEGY  
(NO YOU DON'T)



Strategy.

It's an interesting word, isn't it?

If you say it over and over, it starts to sound really strange.

(Try it.)

Strategy. Strategy. Strategy. Strategy. Strategy.  
Strategy. Strategy. Strategy. Strategy. Strategy.  
Strategy. Strategy. Strategy. Strategy. Strategy.  
Strategy. Strategy. Strategy. Strategy. Strategy.  
Strategy. Strategy. Strategy. Strategy. Strategy.  
Strategy. Strategy. Strategy. Strategy. Strategy.  
Strategy. Strategy. Strategy. Stra . . . Strate . . . Str . . .



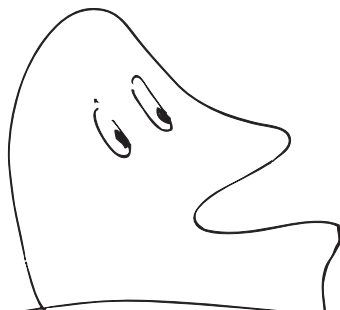
It's a military term derived from the Greek word στρατηγία (*stratēgia*) meaning “generalship” or “the art of the general.”

Sun Tzu—the great Chinese general who authored *The Art of War* more than two thousand years ago—gave a great deal of thought to strategy.



He said, "All men can see these tactics whereby I conquer, but what none can see is the strategy out of which victory is evolved."

If you can't see something, does it exist?



—Yes. I can't see my rubber ball because it is behind our sofa. It still exists. It's just hidden by the sofa. Gosh, I love that ball.

Can you love something even if you can't see it?

—Yes. I love my rubber ball, even though I can't see it right now.

What if the ball didn't really exist? Would you still love it?

—If something doesn't exist, why even bother talking about it?



Good point! Will you give the keynote at the Atheist Alliance dinner?

—No.

Carl von Clausewitz thought a lot about it, too.



He was a Prussian military strategist who fought against Napoleon Bonaparte I, emperor of the French.

In his famous book, *On War*, Clausewitz defined strategy as “the use of engagements for the object of war.”

There he is, Gary! It's Napoleon!  
He's attacking!

—No he's not, Larry! He's  
retreating!



Which is it??



—I don't know!

Wow. He IS good.



These days, you hear the word *strategy* in business. You hear it *a lot*.

We need a strategy, Gary!

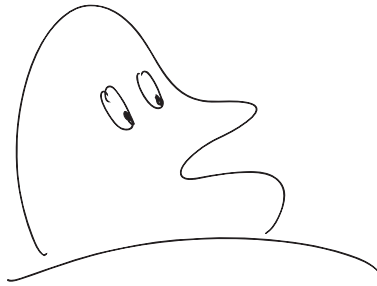
Strategy, strategy, strategy

Strategy, strategy, strategy

Strateg, strat . . . , stra . . .



Problem is, most people in business don't know what it means.



Listen to me, Gary.

—Why should I listen to you?

I have an MBA, Gary.

—What does that mean?

It's proof that I paid for a degree to learn about stuff that will help me build a company for the last century.

—Oh. Well, wouldn't you rather use your mind to create new knowledge? That's more important than learning.

That sounds too hard. I'd rather examine your EBITDA.

—I should probably let my doctor do that.

You're right. Where is your EBITDA located, anyway?

—My upper or lower EBITDA?

Never mind.



Most people confuse a strategy with a tactic. That's a very common mistake.

Okay, Gary, here's the strategy. Now, listen up:  
We're going to blast people with billions of emails!  
Emails with LINKS! Lots and lots of  
embedded LINKS! You got me?

—Okay. What are we emailing them?

It doesn't matter! Just email them!  
And make sure you include links.  
Lots and lots of links!

—You live a confusing life.



A single tactic is *not* a strategy.

People who believe that are confused.

My father would encourage all of us to “pray for them.”

And please, PLEASE help Larry understand that a strategy is not a tactic, Amen. . . .



Some think strategy is a tool. That's another mistake.

Listen to me, Gary.  
I've got a strategy.  
It's an app!  
For a smart phone!

Gary?

Will you do me a favor?

Will you stop answering  
questions with questions?

-Great! What does it do?

-What?

-What favor?

-I will if YOU stop asking ME  
questions that YOU don't  
want answered.

Fine.



They're confused, too.

Or they never had an opportunity to learn about strategy.

Or they're just lazy.

We pray for them as well.

(We pray they go away.)

Others think strategy is visual design.

Okay, Gary. Here's the web strategy:

Make the BUY button REALLY big.

I mean REALLY big. I'm talking a great

big BUY button. Bigger than the actual page!

And change the copy to "BUY NOW." And add an  
exclamation mark! No! On second thought, spell out  
the exclamation mark! Are you with me?

Are you with me, Gary?



Those people are very creative.

And have a really good eye.

And may very well understand the principles of design.

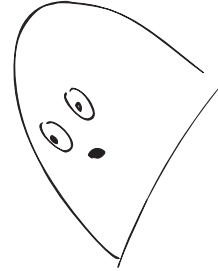
But graphic design alone is not a strategy.

—What will compel people to visit our website in the first place, Larry?

And what's going to make them come back to our site over and over?

What's going to make them trust and believe in our site? How do we win their allegiance AND devotion FOREVER?

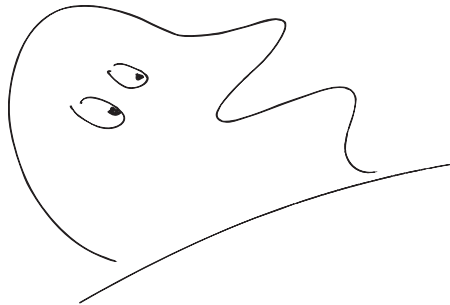
Huh, Larry?



A big, personalized “BUY NOW” button!

That's how! AND they'll get to choose their OWN colors for the button, too!

They love that!



Here's the simplest way to define *strategy*:

A planned, *doable* sequence of actions designed to achieve a distinct, measurable goal.

Hmmm. Is a strategy a strategy if you don't have the power to execute it?

—I don't think so.

What is it, then?

—A fairy tale.

What's a fairy tale?

—An implausible dream.



What makes it implausible?

—An ending that has absolutely no relationship to reality.

Oh. I prefer happy endings.

—Then you should stick to American cinema.



That's it.

Pretty simple, really. (But simple isn't easy.)