

Challenging Corporate Taboos With Wargaming

Kenneth Sawka

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One of the hardest things for organizations to do is to challenge their own dogma regarding their strategic positioning, core competencies, and competitive effectiveness. As a result, it's often hard for executives to confront and change existing capabilities, or acknowledge weaknesses, as part of the strategy development process.

Earlier this week, I ran a war-game for a company that faced many of these problems. My client wanted to improve upon a three-year business strategy for a major business unit, and also develop a more tactical plan to respond to an all-out competitive assault against it by an industry rival. War-games directed at these objectives are usually effective, as long as they are constructed and executed well, and our war-games succeeded at analyzing the impact of external forces on the company's strategy, and at pinpointing the reasons why the competitor was successfully taking share away from my client. What I didn't anticipate, however, was the way the war-game liberated company executives and helped them challenge longstanding internal dogma.

Effective war-games accomplish two things. First, by incorporating various organizational and industry analysis methodologies, they provide a structured approach to evaluating a company's strengths and weaknesses compared to competitors and competitive circumstances. Second, they let participants role-play competitors, and, armed with in-depth research on competitors' capabilities, market positioning, and goals and objectives, let participants understand competitor behavior and intent from the competitors' positions in the industry.

These two war-game characteristics helped my client challenge what previously were sacrosanct beliefs about its own capabilities and advantages, and confront internal weaknesses that heretofore had

gone unchallenged. Participants in the war-game used analytic methodologies to evaluate their company against the competition, and in some cases found meaningful disadvantages that needed to be addressed. Instead of expressing opinions about how the company was inferior to its competitors, war-game participants were able to express stronger judgments backed by the rigor of the comparative competitor analysis they had conducted. What once were unsupported observations and opinions became well-founded judgments thanks to the approaches we employed during the war-game.

Similarly, war-game participants used competitor roleplaying to point out weaknesses in the company's sales and marketing approaches. Speaking from the point of view of the competition, the participants were able to illustrate how competitors would exploit inherent weaknesses that my client possessed. In doing so, they were challenging the effectiveness of internal capabilities not as company employees, but as external observers protected by the competitor's persona that they had temporarily adopted. Sensitive issues that employees would typically not dare to address became fair game during the war-game, thanks to the protection the competitor role play provided.

Strategy development can rarely be effective unless organizations explicitly acknowledge both the good and the bad of their capabilities. By using business war-gaming as part of the strategy development process, employees and executives are given the necessary "cover" to question internal dogma and challenge corporate taboos, thereby opening the organization to areas in need of improvement, and liberating it from its own lack of self-awareness.

Kenneth Sawka

Ken is the Managing Partner at Outward Insights, a Boston-area strategy and competitive intelligence consulting firm. He can be reached at ksawka@outwardinsights.com.

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