

# PRAISE

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“The turbulence in the world today underscores the need for clear, agile and thoughtful strategy. Kraaijenbrink’s approach is distinct from the thousands of available books on strategy, as it is founded on the assumption that organizations will always face uncertainties and provides a pragmatic and actionable approach to moving forward.”

**Stuart Read, Professor of Strategic Management,  
Willamette University (Retired) and Co-Author of *Effectual  
Entrepreneurship***

“Dr Kraaijenbrink has given strategizing managers, strategy consultants, and even some academics, a really useful book. Strongly recommended.”

**J.C. Spender, Research Professor, Kozminski  
University and author of *Business Strategy***

“Fantastic strategy playbook, ready-to-implement, while at the same time meeting rigorous academic standards.”

**Dr. Gunther Wobser, CEO of Lauda and  
author of *Agiles Innovationsmanagement***

The Strategy Handbook is clear, precise, organized, and readable. At the same time, it is challenging, thought-provoking, demanding, and status quo disturbing.

**Rick Orford | investor, and mentor.**

Execution in strategy is critical. Consumption of concepts without implementation is elementary in theory yet few are able to move from concept to action to deliver results. This is a wonderful tool take concepts to action and have a written measure to later review

while proceeding to execute for future success. Lessons learned from the writer or this shows in the methods presented in the handbook and will be useful to all to reference this book.

**Paul L Gunn Jr | Founder, KUOG Corporation**

Throughout my years in business, I have seen first-hand the complexities in executing strategy even when said strategy is sound. People often overlook the necessary preparation, which allows for successful implementation and that is where Jeroen comes in. *The Strategy Handbook* explains how to find the best path for strategy implementation through user-friendly charts, tools, case studies and step-by-step processes. Jeroen also shares how these processes can be used by people of all backgrounds, not just those in high level business settings.

**John Rovani | Managing Partner, Ponterra Business Advisors,  
LLC**

Kraaijenbrink uses real-world examples to make his points. This book isn't just theory, it's concepts validated by real people making real designs.

**Glenn Hopper | CFO, Sandline Global,  
Author of *Deep Finance***

Reading this wonderful book on strategy one gets to know Jeroen's source of intellectual power. His secret lies in 'knowing by doing'. This book is a beautiful synthesis by a creative mind, immersed in the corporate world. You need not unbox this book because his out-of-box concepts flow freely. The unique feature of this book is that the concepts developed in the Western world are equally relevant in the East. I don't want my students to miss this valuable book and am going to adopt it during my next strategy class in India.

**Dr. Ajit Patil, Top-75 Global Marketing  
Professor, and LinkedIn Top Voice**

I have been a huge fan and supporter of Dr. Kraaijenbrink's work since I first discovered "The Strategy Handbook" several years ago. As a continuous student and professional practitioner of strategy execution, I have found him to be one of the few voices who truly understand the interrelated yet tenuous relationship that

exists between those two disciplines. This new edition of the book will help any organization and leadership team understand the shift taking place and the increased role that execution now plays in making strategy successful. This is a very practical read, well written, and applicable to all that I highly recommend.

**Monte Pedersen, Principal, The CDA Group LLC**

In *The Strategy Handbook*, Kraaijenbrink stresses the importance of being able to implement the strategy so that you can execute and achieve your vision. He takes an action-oriented approach and demonstrates the effectiveness of measurable actions.

**David Martin, Co-Founder, Execution360**

Is your strategy starting to get stale? Stop deliberating and start getting action-oriented with *The Strategy Handbook*. Kraaijenbrink does a wonderful job covering the varied aspects of strategy development and execution.

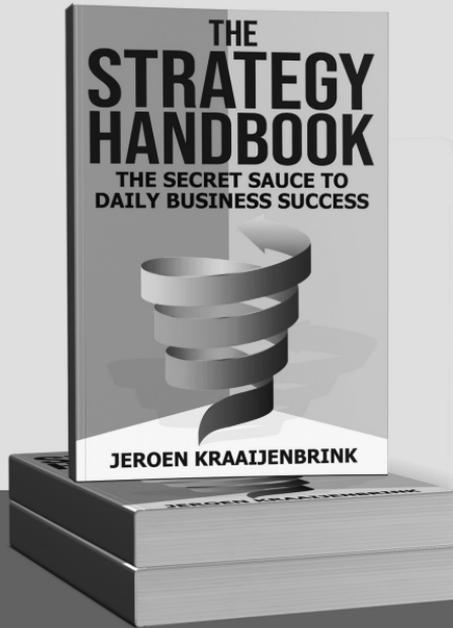
**Akhil Kohli, Founder, and CEO, MindStrength**

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# THE STRATEGY HANDBOOK

THE SECRET SAUCE TO  
DAILY BUSINESS SUCCESS

**JEROEN KRAAIJENBRINK**





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# PREFACE TO THE SECOND EDITION

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*The Strategy Handbook* started as a two-volume book of which Part I (Strategy Generation) was published in 2015 and Part II (Strategy Execution) in 2018. Because the two parts are inseparable and refer to one and the same strategy approach, I wanted to merge the two books into one integrated handbook for this second edition. Furthermore, while working with the books over the past years, I have identified various ways in which their contents could be fine-tuned and improved. For this reason, I felt the urge to update the book. With this second edition, you now have everything you need to know to successfully generate and execute strategy combined in a single handbook.

This integration into one book is one of the two major changes that I've made compared to the first edition. Since its original publication, the Strategy Sketch and the nine-step approach to strategy have proven their value to numerous executives and organizations. In my executive teaching and consulting, as well as in the experiences that executives, managers, entrepreneurs, and consultants have shared with me, the structured and down-to-earth approach of the book has proven its value in a wide range of very different types of organizations—startups, SMEs, large firms, and non-profits. Therefore, while integrated into one volume, and although improvements have been made to all chapters, the core approach of the book has remained unchanged.

The other significant change is that I've simplified the book by leaving out parts that are not absolutely necessary in practice. While the first edition was already targeted at being as practical as possible, it still had a bit of "textbook" flavor by referring to various models and tools. It still contained details that complicated the approach more than illuminated it. The main question that I kept in mind all the time while preparing this second edition is whether or not I had used what I had written before at any point in the past five years in my work with clients. If not, those parts were removed.

The result is a book that is more focused, more coherent, and even more practical than the first edition—while still maintaining its core, depth, and rigor. The result is also a book that even more clearly shows that strategy generation and execution are two inseparable parts of the same process and that it is only their combination that can lead to systematic, daily business success.

I intentionally say "daily" here to emphasize the everyday nature of the strategy approach outlined in this book. Strategy is not something done every couple of years, concerned only about the long term, or something reserved for high-level executives. A good strategy approach is an inherent part of an organization's normal activities. It drives these activities on a day-to-day basis, and involves people from all over the organization in an ongoing process of thinking and doing. Practiced in that way, strategy is not something special or exceptional, but *the* core process that drives an organization's business success, every day.

Indeed, *the* process. This may sound like an overstatement. One might argue that an organization's primary process, through which it creates and delivers its products and services, is the core process. It is in some ways. It is that process which, if done well, leads to satisfied customers and generates revenues. As such, it is core to the organization and its survival. However, it is not the process that drives an organization's success over time.

In a world that is dynamic and complex, an organization's products, services, and the processes that produce them require constant change. The same applies to an organization's resources and competences, which require constant development, or even reinvention. This makes them not a very solid basis for long-term

success. After all, what can be seen as an organization's strength today, can be outdated or a weakness tomorrow.

It is the strategy process that is responsible for keeping your organization up-to-date, for making sure you keep on creating unique value for your customers tomorrow, and the day after tomorrow. It is this process through which you keep track of the internal and external developments and evaluate their impact on your organization. And it is this process that drives change in your organization and that enables it to catch up or stay ahead of competitors. This is why I firmly believe that the strategy process is indeed *the* core process in 21st century organizations to achieve daily business success in the long term.

## **A WORD OF THANKS**

I could never have written this book on my own. Over the past few years I have discussed ideas, texts, chapters, and models with numerous entrepreneurs, experts, managers, directors, academics, students, friends, and the like. Some of them were my clients, others were participants at my strategy and entrepreneurship courses at the University of Twente, Amsterdam Business School, and TSM business school, and still others participated in various seminars, workshops, and conversations. It would go too far to name all of them personally—if only because I would certainly forget some of them. So, pardon my generic “Thank You!” here, but it is meant just as sincerely.

There are a few people I want to thank personally though, since they took the effort to actually read through the drafts of this book and provide comments. Stuart Read, thank you for confronting me with the lacking personality of earlier versions of the book and your extremely fast and to-the-point feedback. Jeroen Sempel, thank you for comparing the book to other books, pointing out its underdeveloped normative message, and taking the time to discuss all nine steps with me in detail. J.-C Spender, thank you for your ever critical and unconventional view on strategy and for sharpening me up in the journey towards this book. Jason Weller, thank you for your detailed comments and for also pointing out the parts you particularly liked. Björn Kijl, thank you for your precision, for contrasting the book with the

business model literature, and for your continuously supportive comments. Saras Sarasvathy, thank you for inspiring me with your work on “effectuation” and for bringing in the idea of exercises. Scott Newbert, thank you for reviewing the book and for your creative way to use the Strategy Sketch in your teaching. This has been inspirational. Dick Korenhof and Rogier Cazemier, thank you for having the guts to adopt this book in your teaching before the part about strategy execution was written. This has given me an important incentive to finish it. Also, thank you for your detailed feedback and push to keep the book practical. Paula Ravensbergen, thank you for your meticulous reading and attention to detail, which has helped me reduce the number of errors.

I also want to thank the team at Leaders Press for supporting me in creating and publishing this new paperback version of the book and for helping me integrate what previously were two separate parts. You’ve made it a better book and helped me share its message with a wider audience.

And finally, Caroline Smeets, thank you for reading the entire book word for word, for telling me where it was boring, superfluous, or incomprehensible, for supporting me with everything else that made it possible to write this book. Your intuitive feedback has made sure that the book stayed close to myself. And thank you for being and staying my wife.

I am grateful to all of you and really appreciate that you’ve bothered to help me in writing this book. Your contributions have made it a much better book than it was. Any remaining ambiguities or errors are mine.

To close this preface, I want to emphasize that the book is not meant to be a blueprint that you follow dogmatically. You should use it as a source of inspiration and background to create your own approach to strategy—one that fits you and your organization. Maybe you need to skip parts of it, change them, or add stuff. Perfect. Do so. And if you have made a change of which you are proud, let me know so that I can use it in a next edition 😊.

Jeroen Kraaijenbrink

PART I.

# **INTRODUCTION**





# MOTIVATION

---

**T**his first chapter explains why this book was written, what you can expect, and how you can use this book in different ways. Altogether, these three topics should give you a sense of the purpose and nature of this book.

## **THE CHALLENGE: PUTTING STRATEGY INTO ACTION**

This book was written with one purpose in mind: supporting you in making strategy work. To achieve this, I wanted to write a practical handbook that you can use to generate and execute strategy yourself on a day-to-day basis. Perhaps you still need some support after reading it, but the overall idea of this guide is that it should be self-explanatory so that it can be used independently.

I felt I had to write this book because the way strategy is generated and executed in the average organizations I've observed is not particularly compelling. To say it less politically, the majority of organizations have substantial problems with strategy generation and execution. Often there either a) is no strategy, b) it isn't clear enough, or c) it doesn't get executed. In the first case, strategy just isn't on the organization's agenda. Such organizations are typically too involved with survival and running their daily business to pay attention to strategy. In the second case, there is attention to strategy, but the organization isn't able to get beyond vague mission and vision statements, quantitative goals, or abstract formulations that are otherwise not actionable. And in the third

case, strategy remains a paper vehicle of which only a small part ever gets executed. All three result in unsuccessful strategy.

These are not just my own observations. Numerous studies in recent decades confirm that strategy generation and execution are cumbersome processes. Dependent on the exact design of the studies, astonishing failure rates of 70-90% have been reported. This means that just one out of every three to ten strategies are successfully executed. Even though strategy is a complex matter, that's a poor statistic. Typical problems that have been found in such studies are vague strategy, conflicting priorities, overoptimism, a lack of addressing market needs, mismatch with the organization, lacking guidelines for implementation, lack of commitment, and so on.

These problems with strategy generation and execution certainly don't occur due to a lack of strategy books. On the contrary, a quick search on Amazon.com reveals that there are already over 100,000 books on strategy. So, could another book like this make any difference? I hope so and I'm optimistic that it could. To find out how, we need to see how this book tries to be different from existing books. Of course, I haven't read all 100,000+ of them, so I might have missed something. However, from what I've seen, we can roughly divide the existing books into two categories: broad strategy books and focused strategy books.

*“The majority of organizations have substantial problems with strategy generation and strategy execution.”*

Broad strategy books, such as strategy textbooks, typically try to cover the entire scope of strategy by offering a collection of tools. Some of these tools are known under acronyms such as PESTLE, SWOT, 5FF, 7S, VRIO, 4P, BCG, or BSC. These tools are useful and the books are too. They support strategic analysis and making generic choices, but they hardly facilitate designing and developing concrete new strategy that can be executed. They're good at telling you *what* you should pay attention to when generating and executing strategy. However, they don't give much

guidance on *how* to do it. Although not entirely *impractical*, they are not practical enough.

On the other hand, there are focused books that are also valuable and often more practical. Such books typically try to make a specific point and a focused contribution to existing strategy approaches. I want to name five specifically, since they have been a great source of inspiration for me while writing this book: Chan Kim and Renée Mauborgne's *Blue Ocean Strategy*, Alexander Osterwalder and Yves Pigneur's *Business Model Generation*, Saras Sarasvathy's *Effectuation*, Eric Ries' *The Lean Startup*, and A.G. Lafley and Roger L. Martin's *Playing to Win*. These five are all practical books on strategy and entrepreneurship that provide new and different insights into how to generate new strategy. However, they offer partial solutions, not complete strategy approaches.

So on one side we have rather complete but less practical strategy books, and rather practical but less complete strategy books on the other. In order to be successful in practice, though, you need both. In this book, I have tried to take the best of both worlds and turn that into a guide that outlines a practical approach to strategy.

**The Goal of this Book**



**RECIPE FOR A HANDBOOK**

But what should a practical strategy handbook look like? For one thing, it needs to put strategy back on earth. If we look at how it's treated by textbooks, MBA programs, scholars, consultants, and organizations generally, strategy is too often put on a pedestal, as some sort of mystical and elite boardroom thing made bigger

than it actually is. Of course strategy is extremely important for organizations. However, as I hope to show you in this book, strategy can also be approached in a practical, down-to-earth manner. And it needs to be, if you want it to result in daily business success.

A strategy handbook also needs to be rather complete without becoming bulky. If we want to foster successful strategy generation and execution, we have to make sure that all important steps and elements of strategy are covered. This means that this book does not just cover strategic analysis and decision-making, but also less honorable tasks such as turning strategy into a communicable message and getting people to actively work on strategy in the first place. It also means that a strategy handbook should cover strategy generation *and* strategy execution. Both are needed for successful strategy.

*“A strategy handbook needs to put strategy back on earth.”*

Since strategy is a complicated matter, a handbook should also be structured and thorough. On the one hand it should provide you with a clear step-by-step approach that leads you through the strategy process and makes sure that you don't skip essential steps. In order to remain practical, this approach needs to be as clear and simple as possible. On the other hand, because strategy is a complicated matter, there is no use in dumbing things down. Strategy is just difficult and you wouldn't benefit from this handbook if it pretended strategy was easy; this book aims to balance simplicity and depth.

A strategy handbook also needs to be concrete and hands-on. Concrete means that it has to descend from high-level mission and vision statements and from generic strategies and objectives towards the concrete elements of which strategy is composed. Only in that way can we make sure that we actually understand what is meant by strategy and assess whether it's good or not. Hands-on means that it provides you with information and tools that you can immediately apply in your own situation. A handbook should be action-oriented and stimulate *doing* strategy rather than just thinking and talking about it.

Finally, a practical strategy handbook needs to be realistic as well. I certainly don't mean that it should limit your ambition and creativity and narrow down strategizing to small incremental changes. On the contrary, a strategy handbook should foster creativity and push you to come up with radically new ideas that go beyond the status quo without ignoring what is already there. Even in startups, but especially in existing organizations, there is always a current strategy that is lived by the organization and its people today. Whether we want it or not, this current strategy will have a large impact on any future strategy. This means that a strategy handbook has to embrace it and give it a proper place.

### **THREE WAYS TO USE THIS BOOK**

Of course it's completely up to you how you use this book. You might read it page by page and from cover to cover. However, when actually using it as a handbook, I guess you also might want to skip parts, or move back and forth between different parts of the book. To guide you a little I have anticipated three ways of using this book. These three ways vary in the extent to which they actively make use of the process and content that are provided.

#### **CHECKLIST APPROACH**

The lightest of all three, the first approach is to use the book as a checklist to make sure that you pay attention to all the elements of strategy and all the steps of strategy generation and execution. You might want to follow this approach when you are already knowledgeable about strategy and basically know how to generate and enact it successfully. If you aim for this approach, you can immediately jump to the sections "The Ten Elements of Strategy" and "Strategy as a Nine-Step Process" in Chapter 2 (pages 12-27).

#### **FAST AND FRUGAL APPROACH**

The fast and frugal approach covers the core ideas of this book in a quick way. If you want limited efforts but still want significant results, I suggest using this approach. Start with Chapter 4, step 2 (Mapping strategy). Based on the main tool of this book, the

Strategy Sketch, it contains a set of questions, exercises, and inspirational checklists that you can use to quickly understand your current strategy and innovate it. After that, immediately work towards a brief action plan, which outlines the most important next steps to take in order to make the strategy work. For this approach, you focus on Chapters 8 and 10 (Bridging Gaps and Planning Strategy). The basic idea outlined there is that you complete a gap analysis in which you identify and prioritize the most important gaps between your current and aspired strategy, and then develop a prioritized action plan for bridging these gaps.

*“You might want to skip parts or move back and forth between different parts of the book.”*

### **UNABRIDGED APPROACH**

The most comprehensive way of using this book is the unabridged approach. With this approach you read the entire book carefully and use as much of it as possible during the strategy generation and execution process. There are two reasons why you may want to do this. First, it's the best guarantee that you will be successful in generating and implementing new strategy. The effort is larger than with the other approaches, but the payoff will also be larger. If you aim for maximum results in your daily business success, this is your approach. The second reason for following this approach is that it helps you in building up your own strategy expertise. By reading all the chapters and going through all the tools you can develop a deeper understanding of strategy generation and execution.

Thus, the most obvious way to use this book is to follow it from chapter to chapter and perform all the steps that are described. This is the most complete approach, and it will make sure you cover everything that might be relevant.

Enough about the book and its background. Let's get started!