



"Without fear and without favour"

Wednesday July 6 2011

Letters

Dose of common sense helps make the best strategy

From Prof Hans H. Hinterhuber.

Sir, As Andrew Hill points out, an exhaustive and incontestable definition of the complex concept of strategy does not exist and probably cannot be found, since strategy and tactics interfere and affect each other ("Strategies founder on fluff and buzzwords", June 14).

There is, however, a most general definition of strategy, and one applicable to all areas of life, that goes back to Helmuth von Moltke, chief of the Prussian general staff, who engineered the victories over the Austrian and French empires in the 19th century. In his famous essay on strategy, von Moltke states: "Strategy is the evolvement of the original guiding idea according to continually changing circumstances."

In business, for Jack Welch, who knew this definition, the central idea was being number one or number two in every market segment in which a business unit of General Electric operated. For a family-owned company, the central idea for the top management team is handing over a competitive company to the next generation.

Strategy is not an action plan. Strategy, according to von Moltke, probably the greatest strategist of all time, is a "system of expedients ad hoc" or "nothing else than the application of good common sense". Good common sense, indeed, is a rare good.

I think this understanding of strategy helps overcoming the semantic anarchy that reins in business life and which requires a definition for every individual case of what the thing is.

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