

## *Endgame Dialogue*

### **Mission:**

Our current business environment doesn't allow us to think about or apply strategy as in the past. Remember when you would place the ultimate goal at the end of a three-year plan and then grind on each day? In this new economy everything is moving faster. Resources and capital remain very precious. Consequences are realized over time, but the right choices cannot wait. So we must be sure the best strategies are in play now and that key resources are properly aligned to leverage those desired results as part of each week's operations.

At Endgame Fundamentals we will build the contextual framework, rule set, and filters to help us grade strategies in this era. Finding the right strategy requires this type of assessment as the tendencies and tools of the information age are producing more manifestly altered expectations and behaviors in clients and employees.

The 'take-away' will be thought applied. Considerations to derive better strategic fit. We seek a delineation of operative rules which provide the entrée for modeling and sensitivity analyses, as opposed to the reverse.

Placing strategies in context challenges their efficacy. For arriving at an operative context is the essence of knowing your fundamentals. This element of awareness is indeed part of the rule set we seek. It must exist far beyond our typical binary tendencies. So often we seem to view even plans and ideas as black or white applications. Fixtures to be grafted on or poured over an organization bringing vision, cohesion, and stellar performance. We are trapped by such thinking. Neglecting outside influences – competitors, regulatory trends, economic climate, and the client's changing hierarchy of needs and so on. We also continuously fail to assess the internals - the whole of a process, the play of tolerances, what moves alter the organizational level of amplitude, and which approaches best mitigate the hidden barriers of Kruger's Change Management Iceberg.

What is similar to this dynamic understanding strategy in context? Those familiar with chess often marvel at how its masters 'see' the board in a totality. They assess the pieces and positions, the time left on the clock, where the opponent's eyes are glancing and more. These masters play with confidence and guile. They will quickly move out the middle-game, trading pieces as they perceive the endgame. For them, it isn't necessary that those final moves are even calculated in detail for the ultimate operation of this Queen, Pawn or that Rook, Knight combination is a foregone advantage. They move with prior knowledge of endgame rule sets.

Whether you compare this strategic mode to chess masters or call it street-smarts, vision, or eclectic capabilities, they all are grading alternatives to seek the best move for a



winning position. Our conclusions at Endgame Fundamentals will provide a vehicle to successfully actualize your strategic mission.

## ***The New Age***

What exciting times! Are we lost in a difficult, confusing, regrettable world- perhaps? Change begets tension. And with the forces of technology and demographic change all ready running at a fast clip, we will continue to deal with a lot of both change and tension for some time to come. But as the old techniques and power positions of the mass production and physical asset world are displaced, what great opportunities are also dawning! Those who recognize such and act will have aligned their organization with the new hierarchies of values. They will operate from congruent positions of strength.

## ***Primary concept-***

### New World

Operates in the new value chain of human capital management: abundant, transferable information; knowledge and ideas are sources of wealth, management of intellectual capital is the path to success.

### Old World

The old value chain: information was scarce and expensive; physical assets were sources of wealth; success was based on control over assets.

## ***Essential strategic drivers-***

The following items are compelling industries to become different. They are particularly evident in service industries, which is now the dominate aspect of our business economy. Although these same items have been addressed in differing manner in recent tomes, we focus on an excellent summary and discussion as presented in Reinventing Strategy, by Willie Pietersen. He outlines five discontinues shaping the new economy, which overall, as noted above, “...are moving from asset-based to knowledge-based competition.” Pg. 12. These five are as follows:

- Internet = represents the new information age - enables a power shift to buyers, authoring margin squeeze, and creating multi-channel marketplaces.
- Disintermediation= “the distance between producers and consumers is shrinking” pg. 18. This results in margin squeeze, new interactions and access between personnel.
- Convergence= “traditional industry boundaries are disappearing...new rivals from disparate fields bringing unique skills or products into your arena” Pg. 20



- Globalization= in three parts – markets; business functions; and knowledge. “As a result, knowledge sharing is becoming the crucial new competency...globalization is more of an *idea* and a *place*.” Pg. 24

The knowledge/value concept and these drivers are active forces pushing the behavior and ultimately the application of capital for business arrangements. One way to conceptualize and discuss these drivers to arrive at our ultimate endgame grid is to use the metaphor of a fulcrum and lever.

Our macro assessment of the above items is that the fulcrum for leverage has shifted. And the lever to actualize it is a bit of a different handle. Superior business propositions for today and the future are now going to operate most effectively by applying these changes. So understanding where the fulcrum exists and how to best leverage its nature are akin to the understanding of chess pieces and how they play.

In this respect there are two areas of concern. One is the use of capital; how it can best be deployed (where the fulcrum sits), and the other is concerned with the harmony of resources to be applied. In this metaphor, consider this item the length of the lever. So the longer the lever, the less force that needs to be applied against the fulcrum – i.e. the better the harmony of resources the less effort needed to actualize the plan.

### ***Fulcrum changes:***

#### ***Use of capital-***

Stated a bit esoterically, it's all about understanding the dynamics of new changes in relationship to the elements of execution.

Or

- Knowledge trumps assets
- Quality and Depth trump scale
- Service trumps products
- Access & engagement trump silos and channels.

### **A transitory item existing in both areas**

The application of disaggregate analyses

#### ***Key to Harmony of Resources-***

- Demystification of Leadership
- Cross-functional team ownership
- Community is preferred to corporate
- Non-financial measurement emersion
- Reports aligned to the most actionable time horizons

### *The Targets*

At this point we have established our mission, and the need to ‘see’ strategy as an application in the whole. We have also identified today’s underlying currents and key focal points that must be the touchstones of future discussions.

In order to test these hypotheses in context, as recommended, we will work this discussion within the arena of two selected subjects. These are hospital nurse workforce and their related contingent workforce issues. These areas were chosen not only due to the background expertise of the author and associates, but also as they possess critical characteristics that apply to key workforce efforts in play throughout the economy. The fact that hospitals and the clinical profession are in multiple states of transition and crises only adds to the challenges and should dismiss any accusation that we are picking an easy target set.

The next installment of Endgame Fundamentals we will begin establishing the strategic grid for these areas.