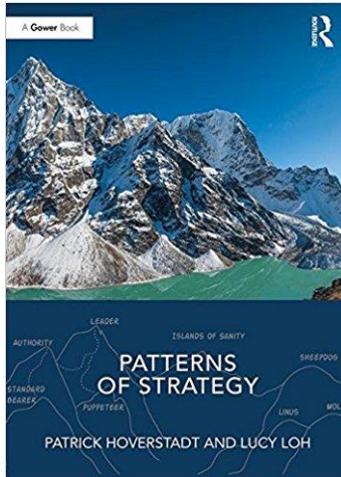


## PM WORLD BOOK REVIEW



Book Title: ***Patterns of Strategy***

Author: **Patrick Hoverstadt, Lucy Loh**

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Reviewer: **Dr. Charles Y. Chen, PMP**

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### Introduction

*Patterns of Strategy* offers a framework that helps one understand the forces acting on an organization's strategic relationships, from competitors to partners and from the regulator to the marketplace itself. While traditional approaches, such as the famous Porter's Five Forces, require organizations to assess the environment around them, the authors observe that they have ignored the dynamic nature of the relationships. The authors of *Patterns of Strategy* offer a system-level view in developing strategy, where the strategy influences the nature of each relationship over time, leading the changing relationships to influence the strategy and an organization's strategic fit.

In addition, *Patterns of Strategy* offers 80 common patterns of strategy in a recipe book fashion together with detailed descriptions and examples of the steps required to achieve that strategy. Leaders and strategists can use this toolkit to understand the relationship of their business and their strategy to the actors around it, and then adapt or readjust the strategy as necessary.

### Overview of Book's Structure

*Patterns of Strategy* is divided into four parts. The authors use Part One to lay out a set of arguments on why conventional strategy fails and how the *Patterns of Strategy* approach addresses these shortcomings. Part Two introduces the building blocks that the authors use to assess the current strategic situation and then to design strategic maneuvers to improve the organization's strategic position. Part Three is a catalog of 80 strategies. Each strategy contains detailed description and examples on the steps required to achieve the strategy and the metrics to assess performance. Part Four guides the reader through how to build a strategy using the methods

presented in Part Three. In other words, Part Four provides a strategist the steps of strategy creation and then process to manage it.

When one picks up this book, it is tempting to jump straight to Part Three. I certainly was. However, I recommend against it. Reading Parts One and Two is a necessary prerequisite to understanding the fullness of the insights and advice in Parts Three and Four.

## Highlights

*Patterns of Strategy* examines a fundamental issue affecting all organizations, “Why do most strategies fail? Patrick Hoverstadt and Lucy Loh shine a light on the gaps in conventional strategic thinking. Based on the authors’ collective experience, they see conventional strategy as nothing more than a mental construct. They contrast this with what strategy actually is, which happens in real life and includes the actions and reactions of other actors; these actions ought to force the organization to check to see if the other actors have reacted in the way that was expected.

Specifically, the authors differentiate the *Patterns of Strategy* approach from the conventional ones with the following six differentiators.

1. Multiple interdependent actors,
2. Competitive and collaboration,
3. Maneuvers,
4. Strategic fit,
5. Exchange of value, and, most importantly,
6. Time

For me, the *time* element is the most important one. With it, the authors provide a framework to more accurately describe the reality of an organization’s circumstances and to try to anticipate how these circumstances will change as the future unfolds and adapt the strategy accordingly.

The authors use Parts One and Two to set up a framework to view strategy systematically. The 80 patterns are presented in Part Three can be used to further develop one’s own strategic thinking. Some names are familiar, such as First Mover and Faster Follower; other names are original, such as Knight’s Move, Piggyback, and Jigsaw. These descriptions are thought provoking and acts as a catalyst for the strategist to analyze the organization’s strategic standing. A strategist can immediately put the theory to practice via the steps in Part Four.

## Highlights: What I liked!

I have witnessed and participated in my share of business strategy discussions throughout my career. However, the majority of them never leave the realm of the theoretical and the academic. While I have seen organizations that devise a strategy that looks at the interactions of the organization with the other actors, this strategy would never really be implemented with rigor. In other words, a strategy that tracks

the actors' behavior over time and sees how it influences the execution of a business strategy never leaves the paper that it was written on.

*Patterns of Strategy* offers a uniquely systematic approach to the formulation of strategy for any business leader who wants to rethink their approach to strategy, embracing the complexity of the world of disruption. The authors remove the perception that strategy is a black box. They succeed in documenting the dynamics of strategy as it plays out in the real world and why few succeed and many fail. They are able to connect strategy development to organizational change to the enterprise roadmap. For those of us who have been in industry, strategy, organization, and roadmap must be connected and relevant to the organization in order for the organization to be competitive and successful. The framework that the author presents allows a leader to identify changes in the organization required to be implemented as a result of changes in strategy due to external factors.

The authors of *Patterns of Strategy* provide strategists guidelines to

- Run multiple strategic scenarios and explore multiple options.
- Model strategy as a set of maneuvers allows you to quickly plan the course corrections needed to react and readjust to each maneuver. KPIs are also identified. This allows a strategist to target specific capabilities to enhance as a result of each maneuver.
- Consider strategies in both a competitive and collaborative environment.
- Model the dynamics of a complex multi-player business ecosystem.
- Connect the organization, and any changes required, directly to the strategy.

For a strategist in an organization, *Patterns of Strategy* is simple to use and extremely effective.

### **Who might benefit from the Book?**

*Patterns of Strategy* shows how the strategic fit between organizations drives strategic direction. This is essential reading for those who wish to understand how to maneuver their organization to change its strategic fit to their advantage. This is a book for decision makers and senior people, be it executives or board of directors, who are custodians of their organization's strategy. Anyone who is involved in the formation of strategy should read this book and think through on how applying the building blocks create a wider range of possibilities. This book is a practical and authoritative guide that one can use to plan and navigate his strategic future.

### **Conclusion**

I was trained as a system engineer. I am taught to take a methodical and disciplined approach to the design, realization, technical management, operations, and retirement of a system. In short, system engineering teaches one to maintain the big picture while making sure all the different elements coalesce and sing together. This point of view is how I look at all the problems and projects presented to me, be it product development or business strategy.

I resonate with the authors of *Patterns of Strategy* in that the approach to strategy ought to be systematic so that it focuses on the dynamic and interactive relationships between the organization and its surroundings, rather than a strategy that assumes static picture within which an organization operates. The authors hammer home the point that an organization lives in a dynamic environment. Its people, suppliers, and customers are all changing. Indeed, a meaningful strategy requires an understanding of the relationships in the marketplace and the interplay between them.

In this book, the authors observe, “Logic says that we have to manage strategy. But, in many organizations, there is no process to manage it, and the need for such process hasn’t dawned in the minds of those executives.” *Patterns of Strategy* is a handy and authoritative guide that an organization can use it to plan and navigate successfully into the future.

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For more about this book, go to: <https://www.pmi.org/learning/academic-research/megaproject-organization-and-performance>

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## About the Reviewer



**Dr. Charles Y. Chen**

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**Dr. Charles Y. Chen** has had the privilege of leading teams of engineers and scientists to transform ideas into viable products. His career began at Northrop Grumman, initially as a systems engineer and then as a program manager, he led matrixed teams of engineers to innovate, mature, and produce new electronic sensor technologies and algorithms. Energetics Incorporated introduced Charlie to the world of management consulting. Initially as a director then as the Chief Strategy Officer, he led teams to help clients transition ideas developed in the laboratory to the marketplace, overcoming the so-called valley of death. At Hover Energy, Dr. Chen led the key activities to build a new wind turbine designed for the urban environment.

Dr. Chen received his B.S. and Ph.D. degrees in Electrical Engineering from Cornell University. He received his Executive Education from University of Chicago Booth School of Business. As a PMP, he looks forward to leading his next team to achieve the impossible.

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