Talking Strategy

by Chip Heath and Dan Heath

Whit Alexander, a co-founder of Cranium—the company that manufactures the hit Cranium board game—recalls a time that he called a Chinese manufacturing partner to discuss a concept for a new plastic game piece. The piece would be purple and made of multiple parts that would need to be glued together. The Chinese manufacturer balked. "It's not CHIFF," he said. Alexander was astonished. His supplier, halfway across the globe, had just corrected him using Cranium's own strategic language. And the supplier was absolutely right.

There is no clearer proof that a strategy has been communicated properly than when a manufacturing supplier, in another country, with a different native language, uses it to correct (rightly) the founder of the company.

CHIFF is an acronym that stands for "Clever, High-quality, Innovative, Friendly, Fun." The CHIFF concept defines Cranium's strategic differentiation in the extremely competitive board-game market. CHIFF informs decisions across the organization—from branding to package design to the content of individual questions. (Example: A suggested question for the game asked how many justices were on the Supreme Court. It was too much like a standard trivia question, insufficiently Clever or Fun to be CHIFF, so it was rewritten: "In which of these sports could the members of the U.S. Supreme Court field a regulation team, with no justices left on the 'bench'?")

The Chinese manufacturer had chastised Alexander for his kludgy idea for a game piece. Glued-together? That's not particularly "innovative" or "high-quality"; the feel of the piece would be all wrong. The manufacturer came back with a design so smooth and novel that players during a game would hold spare pieces in their hand, turning them over and over just for tactile pleasure. Not only had the manufacturer improved the quality, he had also made a game piece "Fun." Alexander was impressed.

This is a game-board manufacturing success story. More importantly, though, it is a *strategy* success story. It's a strategy success story because the executives of Cranium developed a way to communicate a crucial element of the company's strategy—its differentiation—in a useful, comprehensible way. "CHIFF" is simply a very clear, very actionable statement of strategic differentiation. Cranium employees, suppliers, and channel partners all use CHIFF to make hundreds of on-the-ground decisions that defend Cranium's competitive differentiation.

Let's face it: there is no clearer proof that a strategy has been communicated properly than when a manufacturing supplier, in another country, with a different native language, uses it to correct (rightly) the founder of the company.

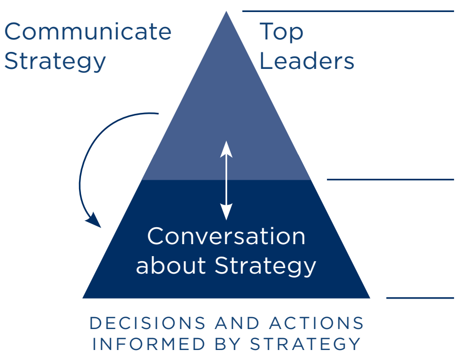
A strategy is, at its core, a guide to behavior. A good strategy drives actions that differentiate the company and produce financial success.

What makes CHIFF work? The secret certainly isn't the acronym. And it isn't a solution that's unique to the board-game industry. The secret is that it respects the principles that make ideas "sticky"—understandable, memorable, and effective in changing thought or behavior. And these principles for creating sticky ideas can be used to transform the way strategy is communicated within a firm.

Talking strategy

A strategy comes to life through its ability to influence thousands of decisions, both big and small, made by employees throughout an organization. A strategy is, at its core, a guide to behavior. A good strategy drives actions that differentiate the company and produce financial success. A bad strategy drives actions that lead to a less competitive, less differentiated position.

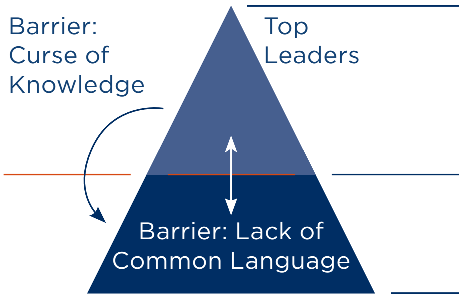
FIGURE 1



A lot of strategies, though, are simply inert. Whether they are good or bad is impossible to determine, because they *do not drive action*. They may exist in pristine form in a PowerPoint document, or in a "strategic planning" binder, or in speeches made by top executives. But if they don't manifest themselves in action, they are inert, irrelevant. They're academic.

To understand the problems that can render a strategy inert, it's useful to review how the process of strategic communication is supposed to work. The leaders of the organization—the people at the top of the pyramid in Figure 1—have the best macro view of the organization and where it's headed. They understand the industry, the organization, and where it has succeeded in the past, so they are in the best position to pick a strategic direction. The people who populate the base of the pyramid must understand the strategy and make decisions that put it into practice. Finally, the frontline people must be able to talk back to the leaders about the strategy; since people on the front lines will *always* have more recent and accurate information about what competitors are doing and how customers are responding.

FIGURE 2



DECISION PARALYSIS

There are three nasty barriers to achieving this success in communication. The first is called the Curse of Knowledge, and it plagues the leaders' attempts to share the strategy with the frontlines in a useful manner. The second barrier, a result of insufficiently clear strategy statements, is called decision paralysis, and it causes delays and confusion on the frontlines. The final barrier is the lack of a common strategic language—in other words, the frontline people are gathering useful information, and the top leaders are keen to hear it, but the two parties don't communicate effectively because they're using incompatible vocabularies. (See Figure 2.)

Fortunately, there are ways to overcome these three barriers—solutions that may be a bit counterintuitive but are quite easy to implement once they are understood.

Barrier 1: The Curse of Knowledge

The "Curse of Knowledge" is best illustrated by a psychology experiment conducted in 1990 by a Ph.D. candidate named Elizabeth Newton. She designed a simple game in which she assigned her subjects to one of two roles: "tappers" or "listeners."[1] Tappers received a list of 25 well-known songs, such as "Happy Birthday to You" and "The Star-Spangled Banner." Each tapper was asked to pick a song and tap out the rhythm to a listener (by knocking on a table). The listener's job was to guess the song based on the rhythm being tapped.

The listener's job in this game is quite difficult. During the course of the experiment, 120 songs were tapped out. Listeners guessed only 3 songs correctly out of 120, a success ratio of 2.5%.

The Curse of Knowledge afflicts the communication of strategy. It leads executives to encode strategy as though they, themselves, were the audience.

But here's what made the result worthy of a dissertation in psychology. Before the listeners guessed the name of the song, the tappers were asked to make a prediction: What's the probability that the listeners will guess the right song? The tappers predicted that the probability was 50%.

The tappers communicated successfully 1 time in 40, but they thought they were communicating successfully 1 time in 2. Why?

When a tapper taps, she is *hearing the song in her head*. It is impossible for the tappers to avoid hearing the tune playing along to their taps. Meanwhile, the listeners can't hear that tune—all they can hear are a bunch of disconnected taps.

In the experiment, tappers are flabbergasted at how hard the listeners seem to be working to pick up the tune. *Isn't the song obvious?* The tappers' expressions, when a listener guesses "Happy Birthday to You" for "The Star-Spangled Banner," are priceless. *How could you be so stupid?*

It's hard to be a tapper. The problem is that tappers have been given knowledge (the song title) that makes it impossible for them to imagine what it is like to lack that knowledge. When they are tapping, they can't imagine what it is like for the listeners to hear isolated taps rather than a song. This is the Curse of Knowledge. Once we know something, we find it hard to imagine what it was like not to know it. Our knowledge has "cursed" us. And it becomes difficult for us to share our knowledge with others, because we can't readily re-create the state of mind of our listeners.

Leaders can avoid the Curse of Knowledge by "translating" their strategies into concrete language.

The tapper/listener experiment is reenacted every day across the world—among teachers and students, politicians and voters, marketers and customers, executives and front-line employees. All of these groups rely on ongoing communication, but they suffer from enormous information imbalances, just like the tappers and listeners.

And, as in all these domains, the Curse of Knowledge afflicts the communication of strategy. It leads executives to encode strategy as though they, themselves, were the audience. It tempts executives to formulate the strategy in language that is sweeping, high-level, and abstract. *The most efficient manufacturer of semiconductors! The lowest-cost provider of stereo equipment! World-class customer service!*

Top executives find abstractions—that are meaningful to them but less meaningful to others—almost irresistible. When a CEO discusses “unlocking shareholder value,” there is a tune playing in her head that the employees can’t hear. It’s a hard problem to avoid—a CEO might have 30 years of daily immersion in the logic and conventions of business. So when she says, “unlocking shareholder value,” it *means something vivid to her.* But the frontline employee listening to that tune can’t make it out. What does “unlocking shareholder value” mean for how I treat this particular customer? What does being the “highest-quality producer” mean for my negotiation with this difficult vendor?

Now, executives can’t unlearn what they know. There are, in fact, only two ways to beat the Curse of Knowledge reliably. The first is not to learn anything. The second is to take your ideas and transform them.

Leaders can avoid the Curse of Knowledge by “translating” their strategies into concrete language. Consider Trader Joe’s, a specialty food market that carries inexpensive, but exotic, foodstuffs. At Trader Joe’s you might purchase Moroccan- flavored simmer sauce for $2.53, or a quart of red pepper soup for $1.99. Trader Joe’s describes its target customer as an “unemployed college professor who drives a very, very used Volvo.” The image is a simplification, obviously—at any given moment, there are probably zero of these “target customers” in Trader Joe’s. What the “unemployed college professor” image does for Trader Joe’s is this: It ensures that everyone in the organization has a common picture of their customer.

A crucial element of every strategy is deciding which markets and customers a company will serve. The “unemployed college professor” speaks directly to this issue. Trader Joe’s could have referred to its customers as “people who are high socio-economic status and are quality-conscious, but also budget-conscious, and who value variety and new experiences.” But this adjective-filled statement doesn’t provide as clear an image as the unemployed college professor. Would the professor like the red pepper soup? Yep. The Curse of Knowledge has been thwarted.

Stories, in particular, work well in dodging the Curse of Knowledge, because they essentially force us to use concrete language—there aren't many stories drowning in abstractions.

FedEx has an award called the "Purple Promise" that honors employees who keep FedEx's delivery promise that packages will "absolutely, positively" arrive overnight. The Purple Promise award unearths stories like these: In St. Vincent, a tractor trailer accident blocked the main road going into the airport. Together a driver and ramp agent tried every possible alternate route to the airport but were stymied by traffic jams. They eventually struck out on foot, shuttling every package the last mile to the airport for an on-time departure. In New York, after a delivery truck broke down and the replacement van was running late, a FedEx driver initially delivered a few packages on foot, but then, afraid she'd never finish in time, she managed to persuade a driver from a competitor to take her on the last few deliveries.

A story is a better guide to behavior than standard boilerplate mission-speak.

These are not just interesting stories. They are tangible demonstrations—in vivid, concrete, on-the-ground terms—of the company's competitive advantage, which is to be the most reliable shipping company in the world. Like CHIFF, these stories can work to inform decisions across the organization. A top sales executive can use the New York story to convey, "This is how seriously we take our pledge to get your packages delivered on time." A new delivery driver can use the story as a guide to behavior—"My job is not to drive a route, my job is to get packages delivered any way I can." An operations person can use the story to make better decisions about maintenance contracts—it's worth negotiating for the fastest-possible maintenance cycles on delivery trucks.

A good strategy should guide behavior, and a story can work better in this role than the standard boilerplate mission-speak. At Costco, as described in a book, *Around the Corporate Campfire,* by Evelyn Clark, people talk about "salmon stories." Jim Sinegal, the co-founder of Costco, said, "In 1996 we were selling between $150,000 and $200,000 of salmon fillets company-wide every week at $5.99 a pound. Then our buyers were able to get an improved product with belly fat, back fins, and collarbones removed at a better price. As a result, we reduced our retail price to $5.29. So they improved the product and lowered the price."

But the buyers weren't finished. They subsequently negotiated for salmon at an even better price that had the pin bones and skin removed. They lowered the price on this higher-quality salmon to $4.99 a pound. Later, because the lower prices were driving large volumes of sales, Costco began to place big orders directly with Canadian and Chilean salmon farms, which drove the retail price down to $4.79. The point? Costco stands for the relentless pursuit of ever-increasing quality at ever-decreasing prices. "Salmon stories," like the elements of CHIFF, provide a brilliant way to communicate the company's competitive advantage.

Sinegal says, "We've used that story so much as a teaching tool that I've had other buyers in the company, such as a clothing buyer in Canada come up to me and say, 'I've got a salmon story to tell you.'"

Two paragraphs back, you came across the sentence, "Costco stands for the relentless pursuit of ever-increasing quality at ever-decreasing prices." Note that the sentence works as a summary of the salmon story—it's punctuation on the end of the sentence. But here's the counterintuitive part: it doesn't stand alone very well without the story. Saying an abstract sentence like that one, without the related story, is the same as being the tapper in the tapper/listener game. "Ever-increasing quality at ever-decreasing prices" is something that is powerful and profound only to an executive who *has internalized years of salmon stories*—but it's sort of dry and vague to someone who doesn't have access to those same experiences. (Decreasing prices over what time scale? What if you can't decrease the prices and maintain the same level of profitability?)

Stories that speak to an organization's strategy have two parts. There's the story itself and there's the moral of the story. It's nice to have both. If you have to choose between the two, though, choose the story. Because the moral is implicit in the story but *the story is not implicit in the moral.* And the story—with its concrete language, specific protagonists, and real-world setting—is more likely to guide behavior.

Both stories and concrete language help leaders dodge the Curse of Knowledge, and everyone in the organization benefits from a shared understanding of the strategy.

Barrier 2: Decision Paralysis

Most people in an organization aren't in charge of formulating strategy; they just have to understand the strategy, internalize it, and use it to make decisions. But many strategies are not concrete enough to resolve a well-established psychological bias called decision paralysis.

Psychologists have uncovered situations where the mere existence of choice, even choice between several good options, seems to paralyze us in making decisions. A study, conducted by Eldar Shafir, a psychologist, and Donald Redelmeier, a physician, in the *Journal of the American Medical Association,* shows that even experienced decision makers can be paralyzed by choice.

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Shafir and Redelmeier presented doctors—members of the Ontario College of Family Physicians—with a medical history describing the condition of a 67-year-old man. He was experiencing chronic hip pain because of arthritis. Doctors had tried several drugs to treat the pain, but they had stopped because the drugs either didn't work or produced serious side effects. An alternative to prescribing drugs would be to refer the patient for hip replacement surgery, which could solve the problem permanently. On the other hand, hip replacement is a difficult surgery that often involves three or more months of recovery.

Then the doctors in the study are presented with a twist: Before they can opt for the referral for hip replacement surgery—which seems the sole remaining hope—they discover, after checking with their pharmacy, that there's one other medication that hasn't yet been tried. The doctors in the experiment were asked: Would you write the referral or try the additional medication? 47% chose to try the medication before surgery.

But you can never generate enough rules to encompass the decisions that must be made by your employees.

Another group of physicians saw the same patient history but were told that when they checked the pharmacy, they discovered two additional medications that hadn't yet been tried. Given two options, only 28% chose to try either one. Seeing more good options made trained physicians less likely to choose any of them. This isn't rational behavior, but it's human—something about the presence of multiple options seemed to make doctors freeze rather than act.

Similar decision paralysis was found with a group of legislators in the Ontario Parliament. The legislators were given information about a small hospital that was providing substandard care in an area well-served by other hospitals. Patient outcomes at this hospital were low and there were three malpractice suits outstanding against it. When legislators were given a choice of closing the hospital versus doing nothing, 74% chose to close it. But another group of legislators learned about the first substandard hospital and also a second substandard hospital in a different city. When presented with information about two substandard hospitals, only 36% of the legislators chose to close either one. Why? When decision options multiply, they leave people numb and inactive.

Think about the sources of decision paralysis that surely exist in your organization. Every organization is forced to make choices among attractive options: Customer service versus cost minimization. Revenue growth versus maximizing profitability. Quality versus speed to market. People development versus the needs of the quarter. Fold together lots of these tensions—an atmosphere full of potential opportunities and risks and uncertainties and incomplete information—and you've got a recipe for paralysis.

Furthermore, many classic strategy statements, such as the quest to be the "low-cost provider", simply don't speak to many of these tradeoffs, for instance the trade-off between quality and speed to market. Now, leaders could solve decision paralysis by encoding everything into a rule—*Try all available medications before proceeding to surgery! And close any small hospital with more than three malpractice suits!* Many companies do, in fact, adopt this approach—witness the 3-inch-thick binders given to new employees to explain "company policy." But you can never generate enough rules to encompass the decisions that must be made by your employees. The world is complex, and it evolves. Yet rules forbid anyone from adapting to the world except the leaders who are writing the rules.

How can strategy liberate employees from decision paralysis? When people are able to talk about strategy, they're more likely to set priorities appropriately than when strategy only exists as a set of rules. Frontline employees want to do the right thing. Most of them find it quite easy to decide between the right thing and the wrong thing. The problem is deciding between the right thing and the right thing.

The hardest decisions, after all, are the ones where we must decide between two good options. Consider the Costco salmon story. If you're selling scads of salmon at $5.99 per pound, and then subsequently you secure a supply higher-quality salmon at a lower price, what do you do? You know that there's enough demand for the salmon to exhaust your supply at the $5.99 price point. So do you maintain the price (or even raise it) to deliver a better bottom line for shareholders? Or do you cut the price to maintain your focus on value for customers? This is a choice between two good options. To make such a choice, you need an index of priorities, and the salmon story provides it. The salmon story is a statement of competitive advantage that drives home the message that Costco's priority is the customer over the shareholder. (Or, to be more precise, customer value over short-term shareholder profits.)

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Organizations, in formulating their strategies, must grapple with their internal capabilities. What capabilities do we need to succeed? What skills will our employees need to successfully please customers, and how will we get better at serving our customers over time? An example of strategic language that speaks to internal capabilities comes from Thomas Alva Edison, the inventor of the phonograph and light bulb. Edison was not a lone inventor; he created the first industrial R&D lab in Menlo Park, New Jersey. The researchers in his labs were called "muckers." The term comes from two slang phrases of the time—"to muck in" was to work together as mates, and "to muck around" was to fool around. Why was this a good way for Edison's researchers to talk strategy?

In any entrepreneurial organization, there is a natural tension between productivity and experimentation. Innovation requires collaboration, experimentation, and freedom—but these qualities also produce tangents and wasted time and errors. Edison's environment, then, is ripe for decision paralysis: How do we decide between productivity and experimentation? Productivity promises efficient work, better margins, more orders. Experimentation promises new products and other opportunities. How do you choose in the myriad daily situations where the conflict will arise? (E.g., "Is it okay to spend the next hour of my time fooling around in the lab?")

The "muckers" term is a strategy statement masquerading as a nickname. It makes it clear that, given the tough choice between productivity and experimentation, you choose experimentation. Why? Because you're a mucker. Muckers don't obsess over Gantt charts. Muckers muck. And muckers muck because that is precisely the organizational capability that will make Menlo Park successful. Talking strategy in a thoughtful way can relieve the burden of decision paralysis.

Barrier 3: Lack of a common language

In the classic 1950s models of communication, a “sender” communicates with a “receiver.” The metaphor suggests that the message that is passed is a kind of package—wrapped up on one side and unwrapped on the other. There is certainly a lot of communication that operates in this way—professors lecturing to college students, ministers preaching to their congregations, etc. Should strategic communication work this way?

Absolutely not. Good strategic communication is like Esperanto. It facilitates communication among people who have different native languages and carves out a shared turf that people can share. Employees rely on leaders to define the organization’s game plan. Leaders rely on employees to tell them how the game is going. For this dialogue to work, both sides must be able to understand each other. This is easier said than done.

It’s easier for frontline employees to object to management decisions—and vice versa—when everyone can use the same language to communicate.

Strategy is often articulated in a way that makes it hard for employees to talk back to leaders. For instance, imagine if Cranium's stated strategy had been "To be the #1 provider of engaging tabletop entertainment." Now imagine that you are the Chinese manufacturer, and that you are displeased with the design of the new game piece. On what grounds do you state your objection? The strategy is so high-level, so abstract, that it would make you feel foolish to talk back. What are you going to say? "Using this glued-together piece will threaten our #1 provider position"? Doubtful.

One interesting case study in creating a common language comes from British Petroleum (BP). In 1991, BP set out to reduce exploration costs dramatically. Traditionally, the costs of unsuccessful drilling—or "dry holes," in industry parlance—were thought of as the inevitable costs of doing business. It was a mindset akin to that of venture capitalists—you invest in 10 companies in the hopes that 1 or 2 of them will be mega-successes that provide a nice return on the fund as a whole. But the costs of drilling were high. A small well might cost $4 million to drill, a large one $40 million.

When explorers discovered a new drilling opportunity, they were asked to predict the chance of success. BP did an internal study to assess the accuracy of these predictions historically. The study found something interesting—opportunities with a predicted success of well below 20% rarely hit—for instance, wells with a 1 in 10 estimate actually paid off only 1 time in 100! At the bottom end of the prediction curve, explorers were systematically overestimating the chance of success. To BP execs, this looked like a chance to avoid a lot of wasted expense on drilling.

Ian Vann, the head of exploration at BP at the time, hit upon a way to articulate a new vision for exploration: "No dry holes." Instead of a dry hole being a normal and acceptable part of doing business—indeed, a cost that was expected in the great majority of expeditions—a dry hole should be considered a sign of failure.

Initially, explorers were irate when they heard this idea. Traditionally, explorers had been salesmen for opportunities. As Vann recalls, early in his career he was once told by a supervisor, "It's not your job to make the decision. You sell the prospect to management. They decide."

Explorers liked to *explore.* They treated drilling as a way of pursuing knowledge. The way you really found out what was down there was to start drilling. And explorers justified their drilling by talking about learning—you could use what you learned from drilling one well to hone in on the next one. But Vann said these beliefs bred unnecessary complacency, "I can give you 100 examples where people made a mistake because they didn't use knowledge they already had, for every one example where we learned something that was valuable for the next time."

But as explorers started talking about "no dry holes," they started taking off their explorer hats and putting on their geologist hats. Lots of things had to go right to create a productive oil field and geologists had previously devised various tests to evaluate each feature: Was the right substrate available to form oil? Was there a basin to contain the oil if it formed? Could subsequent events have degraded the oil? The conversation around "No dry holes" prompted them to become more systematic about aggregating the information they had. They started color-coding maps—green for features that might support an oil field, amber for areas where information was missing, and red for clear counter-indications. Then they would overlay the maps and only drill in regions that were green on every conceivable dimension.

The language of discussions also shifted. Before "No dry holes," BP tended to rely on Expected Monetary Value (EMV) to talk about decisions. As an analytical model, EMV is flawless, but the assumptions feeding the model were not flawless, they were subject to manipulation. Crafty explorers who wanted to drill a high-risk well would just increase the numbers assessing the potential payoff of the field. And the best number crunchers were not necessarily the savviest geologists. "No dry holes" created common ground that brought more people into the conversation—it shifted the strategic conversation from numerical risks to geological risks. "Before 'no dry holes,'" said Jim Farnsworth, the current head of exploration for BP, "People were hiding behind the probabilities."

"No dry holes," then, was a great example of strategic communication. It was formulated in order to create a competitive advantage for BP against other energy companies. And it was communicated in a way that made it effective as a guide to behavior. Notice the concreteness of the phrase and the way it easily overcomes the first barrier to talking strategy, the Curse of Knowledge.

But "no dry holes" also had a more subtle, perhaps even unintended positive effect—it established a shared strategic vocabulary that allows employees to talk back to leaders effectively.

David Bamford, BP's Chief Geophysicist during much of this period, said, "I can think of several examples of where technical teams 'knew' a proposed well would be dry and yet senior management wanted to drill it because of pressure from government or business partners." Previously it was hard for front line people to object to these decisions. When your manager is the only one who knows what the "partner pressure" consists of—how do you raise a credible objection? The information asymmetry works to your disadvantage.

The “no dry holes” idea brought front-line employees back to the table. The “Exploration Forum”—the peer group accountable for exploration decisions—became more confident and began to push back on these “strategic reasons” to engage in low-probability explorations. After all, the strategy was “no dry holes,” not “no dry holes unless drilling a dry hole helps someone important.” The strategy had changed in a way that gave them an equally credible voice in the decision. It’s easier for frontline employees to object to management decisions—and vice versa—when everyone can use the same language to communicate.

Before ‘no dry holes’, people were hiding behind the probabilities.

“No dry holes” allowed BP employees to share a common, concrete purpose. The strategy paid off: By 2000, BP’s hit rate was an astonishing 2 in 3. This created a formidable strategic advantage for the company against its competitors, and the savings in the cost of exploration went straight to the bottom line.

Making strategies stick: Three principles

The three barriers to talking strategy—the Curse of Knowledge, decision paralysis, and a lack of a common strategic vocabulary—emerge for different reasons, but they can be overcome in similar ways. Note that Cranium’s CHIFF manages to overcome all three. It transfers a brand vision of top management in a way that overcomes the Curse of Knowledge. It guides stakeholders in selecting among competing choices, which overcomes decision paralysis. And it establishes vocabulary that allows everyone in the organization to communicate on the same turf—it even helps a Chinese supplier to argue credibly with the company’s founder.

CHIFF is a sticky strategy within Cranium. There are several principles that can help a strategy be stickier within an organization:

1. **Be concrete.** The beauty of concrete language—language about people and actions and things that can be discovered via the senses—is that everyone understands it in a similar way. The "unemployed college professor" provides a level of common understanding that an "upscale but budget-conscious customer" does not.
2. **Say something unexpected.** If a strategy is common sense, leaders shouldn't have to spend much time or energy communicating it. If, on the other hand, there are elements of the strategy that aren't common sense—that aren't happening naturally and intuitively—then it's important to focus on those elements. And, in communicating "uncommon sense," don't hedge. Don't make uncommon sense sound like common sense. BP said "No dry holes," not "minimize our risk of unsuccessful explorations." The two statements have similar intent, but the first is likely to stick and the second is not.
3. **Tell stories.** A good story is a *substitute* for, not *garnish* for, an abstract strategy statement. Remember, you can reconstruct the moral from the story, but you can't reconstruct the story from the moral. Think of the power packed into the FedEx Purple Promise Awards stories or Costco's "salmon stories." If there are no stories that symbolize a strategy well, that is a warning flag about the strategy—it may not be sufficiently clear or actionable to manifest itself in the actions of specific individuals. Otherwise, there'd be stories.

A strategy that is built into the way an organization talks *cannot be inert.*

Avoiding inert strategies

The conventional wisdom is that managers should devote ample time to presenting and discussing strategy. In fact, the most common refrain in strategic communication is: repetition, repetition, repetition. Keep repeating the strategy, again and again, until it finally sinks in. Here's the problem: Repetition doesn't prevent the curse of knowledge or encourage two-way communication. Repetition doesn't eliminate ambiguity or provide a common discussion ground. Repetition is helpful but it is not sufficient to make a strategy stick. And sticky strategic communication, like "salmon stories," doesn't need much repetition—psychology research tells us it's much easier to remember concrete language and stories.

Note that the ability to "talk strategy" does not make the strategy a good one. There is a well-established canon of knowledge about what makes a good strategy, and in this article, we have not contributed to it. Rather, we are proposing that leaders treat strategy as a 2-step process. Step 1 is determining the right strategy. Step 2 is communicating it in a way that allows it to become part of the organizational vocabulary. Both are necessary.

Element of Strategy	Real-world "talking strategy examples"
Scope: Where we will play and who will we serve?	"Unemployeed college professor with a used Volvo".
Capabilities: What kind of internal resources do we need to succeed?	Muckers. FedEx Purple Promise Awards.
Competitive advantage: How will we win? Muckers. Salmon stories.	CHIFF. FedEx Purple Promise Awards. No dry holes.

Unfortunately many organizations stop at Step 1. Or they implement Step 1 and follow up with 150 executive speeches broadcasting a vision that is impossible for employees to remember and use. But if strategies are to be activated—if they are to manifest themselves in the actions of stakeholders in the organization—they must be woven into the organization's conversations.

A strategy that is built into the way an organization talks *cannot be inert.* If your frontline employees can talk about your strategy, can tell stories about it, can talk back to their managers and feel credible doing so, then the strategy is doing precisely what it was intended to do—guide behavior.

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1 Newton, L. 1990. Overconfidence in the communication of intent: Heard and unheard melodies. Doctoral dissertation, Stanford University, Stanford, CA.

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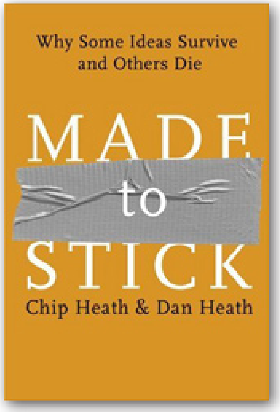

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BORN ON DATE

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